JPRS 79573 2 December 1981

West Europe Report

No. 1863

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in <u>Government Reports Announcements</u> issued semi-monthly by the National Technical Information Service, and are listed in the <u>Monthly Catalog of U.S. Government Publications</u> issued by the <u>Superintendent of Documents</u>, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

WEST EUROPE REPORT

No. 1863

CONTENTS

THEATER FORCES

Т	т	Δ1	Γ'	v
-		n.	L	•

OPEC Competition Seen as Threat to Nation's Refineries (Agostino Meloni; IL TEMPO, 20 Oct 81)	Labor	CONQUISTE DEL LAVORO, 31 Aug 81, RASSEGNA SINDACALE, 3 Sep 81)	1
INTERNATIONAL AFFAIRS Italy, FRG Interior Ministers on Terrorism (Virginio Rognogni, Gerhard Baum Interview; L'ESPRESSO, 25 Oct 81) ENERGY ECONOMICS ITALY OPEC Competition Seen as Threat to Nation's Refineries (Agostino Meloni; IL TEMPO, 20 Oct 81)		Proposals by Militello, Gabaglio, by Raul Wittenberg	
Italy, FRG Interior Ministers on Terrorism (Virginio Rognogni, Gerhard Baum Interview; L'ESPRESSO, 25 Oct 81) ENERGY ECONOMICS ITALY OPEC Competition Seen as Threat to Nation's Refineries (Agostino Meloni; IL TEMPO, 20 Oct 81) Accord for Power Plant in Ancona Signed (STAFFETTA QUOTIDIANA PETROLIFERA, 16 Oct 81) Status Quo on Methane Prices Due for Upset		TERRORISM	
(Virginio Rognogni, Gerhard Baum Interview; L'ESPRESSO, 25 Oct 81) ENERGY ECONOMICS ITALY OPEC Competition Seen as Threat to Nation's Refineries (Agostino Meloni; IL TEMPO, 20 Oct 81) Accord for Power Plant in Ancona Signed (STAFFETTA QUOTIDIANA PETROLIFERA, 16 Oct 81) Status Quo on Methane Prices Due for Upset	INTERNATIONA	AL AFFAIRS	
OPEC Competition Seen as Threat to Nation's Refineries (Agostino Meloni; IL TEMPO, 20 Oct 81)	Italy	(Virginio Rognogni, Gerhard Baum Interview; L'ESPRESSO,	7
OPEC Competition Seen as Threat to Nation's Refineries (Agostino Meloni; IL TEMPO, 20 Oct 81)		ENERGY E CONOMICS	
(Agostino Meloni; IL TEMPO, 20 Oct 81)	ITALY		
(STAFFETTA QUOTIDIANA PETROLIFERA, 16 Oct 81)	OPEC		13
	Accor		15
	Stati		16

Briefs	
Mexican Crude for Montedison	17
IRI's Energy Saving Plan	17
E CONOMI C	
FEDERAL REPUBLIC OF GERMANY	
Government Funding for Steel Merger Discussed (WIRTSCHAFTSWOCHE, 16 Oct 81)	18
DIHT President Foresees Period of Recession (Harald Posny; DIE WELT, 14 Oct 81)	21
Institutes Cite Fiscal Policy as Cause of Unemployment (FRANKFURTER ALLGEMEINE, 27 Oct 81)	23
POLITICAL	
AUSTRIA	
Rise of Vice-Chancellor Sinowatz Viewed (Elisabeth Welzig; PROFIL, 27 Oct 81)	26
Analysis of Results of Steiermark Election (Herbert Lackner; ARBEITER-ZEITUNG, 6 Oct 81)	32
FEDERAL REPUBLIC OF GERMANY	
Future of Coalition Without Schmidt Viewed (Walter Bajohr; RHEINISCHER MERKUR/CHRIST UND WELT, 23 Oct 81)	34
Eppler Predicts SPD Majority for Peace Movement (Hans-Joachim Noack; FRANKFURTER RUNDSCHAU, 12 Oct 81)	38
FRAN CE	
Need for Neutron Bomb, U.S. Alliance, European Dynamism (Bernard Lambert; LE MATIN, 26 Oct 81)	41
Peace Movement Issues Paris Appeal; Continues Effort (L'HUMANITE, 29 Oct 81)	43

NETHE RLANDS

	Conference on Future of Netherlands Antilles (NRC HANDELSBLAD, 28, 29 Oct 81)	44
	Commission To Study Independence Editorial on Risks	
	CP Paper Reacts to USSR Criticism of Reporting on Poland (Editorial; DE WAARHEID, 8 Oct 81)	47
NORWAY		
	Willoch Says Ready To Form Minority Government (AFTENPOSTEN, 21 Sep 81)	49
	Per Hysing-Dahl Becomes President of Storting (AFTENPOSTEN, 25 Sep 81)	52
	Astrid Gjertsen Named Minister for Consumer Affairs, Administration (AFTENPOSTEN, 26 Sep 81)	54
SWEDEN		
	Danell Named Moderates' Party Secretary (Georg Danell Interview; SVENSKA DAGBLADET, 16 Oct 81)	56
SWITZER	RLAND	
	Swiss Chief Delegate Views CSCE Process (DIE WELTWOCHE, 21 Oct 81)	57
	MILITARY	
AUSTRIA		
	General Bernadiner on Army Equipment, Budget	
	(Ernest Bernadiner Interview; PROFIL, 5 Oct 81)	59
FE DE RAI	L REPUBLIC OF GERMANY	
	Bundeswehr Arms Purchases Criticized (Wolfgang Hoffmann; DIE ZEIT, 23 Oct 81)	62

THEATER FORCES ITALY

LABOR LEADERS CALL FOR NEGOTIATIONS ON NUCLEAR WEAPONS

Appeal to Unions

Rome CONQUISTE DEL LAVORO in Italian 31 Aug 81 p 1

[Article by Pierre Carniti: "To Strike for Peace and Disarmament"]

[Text] Exactly 36 years after Hiroshima in a different August, the nuclear threat looms perhaps more sharply on the horizon of humanity. An escalation of rearmament is in the process of developing and the trade union movement must combat this process in the name of peace and democracy.

In a world filled with tension and conflict, detente is, of course, based on mutual ecurity, a balance of power and respective control.

In the context, nuclear rearmament is considered necessary for national defense. But we are making a dangerous mistake. Actually, atomic bombs cannot defend anything at all, if defense means preventing something from being destroyed, life above all. By their nature, they are instruments of mass destruction: They can be used for deterrence and perhaps for retaliation when destruction has already occurred, but not at all for defense.

In particular, today we note that of the two decisions made by NATO in December 1979, the first one, that of deploying Eromissiles, is being implemented. This was justified by the need to reestablish a balance. But the second decision, to negotiate for a balance at the lowest possible level, is still totally entrusted to an uncertain and indefinite future. Indeed, it seems that the concern for negotiation is not at all a priority of the United States, to which NATO also assigned the mission of promoting such negotiation.

And the most alarming thing is that the decision to locate the Euromissiles under American control at Comiso was made without any negotiations even being opened to determine the possibility of not deploying them in return for a sufficient reduction of Soviet missiles already aimed at Western Europe.

It is now essential for negotiations to begin and to begin immediately without any further unjustified delay. This is already 20 months overdue. And it is also essential for negotiations to include Europe first of all, which would otherwise be destined to become only the object of the negotiations when, on the contrary, it is the main party interested in reversing the kind of thinking that allows arms to prevail over reason and diplomacy.

This task is even more urgent following the American decision to produce the neutron bomb, which has made the escalation of rearmament worse.

This dangerous course must therefore be blocked, since a mechanism possibly leading to collective suicide could be set in motion, considering the tensions, fears and challenges involved. Before the dynamics of this process get out of control, a framework for needed negotiation must be established immediately.

An attempt at disarmament or the limitation of nuclear weapons, therefore, always can and must be made, especially during times of increased tension and also to defuse the tension itself. Balanced and controllable solutions at the lowest level must be sought. If we wait any longer, it will be the nuclear rearmament race itself that will make negotiation more and more difficult, if not impossible.

Proposals by Militello, Gabaglio

Rome RASSEGNA SINDACALE in Italian 3 Sep 81 pp 3-5

[Article by Raul Wittenberg: "Mobilization for Disarmament"]

[Text] The first message of protest arrived on the very eve of the August holidays, from the Unified Federation of Ragusa, the province in which Comiso, the commune selected for the installation of the Cruise missiles, is located. Almost at the same time, the Crema federation was urging U.S.-USSR negotiations with European participation for the reduction of Soviet SS20 missiles and for abandoning the deployment of Cruise and Pershing missiles in favor of gradual nuclear disarmament; while European governments refused to permit the installation of nuclear warheads, the Italian Government suspended making any decisions on Comiso. In general, almost all of the country's trade union headquarters were closed for the holidays, together with factories, although they were not bearing in silence the news of rearmament, the U.S. neutron bomb and the worsening of international tension.

Thus a policy of military confrontation dominated East-West relations, with the U.S.-Libyan incident on the Gulf of Sidra serving to emphasize this, while the neutron bomb made feasible a limited nuclear war whose primary "theater" would most likely be old Europe.

This was the complete opposite of the process of gradual and controlled disarmament which the trade union movement has been demanding for some time, while Europe, which is primarily threatened, remains silently paralyzed by the crisis of community integration.

The demand for opening negotiations is beginning to mount. Trade union leaders still in Rome at that time, Zuccherini (CGIL [Italian General Confederation of Labor]) and Gabaglio (CISL [Italian Confederation of Labor Unions]), made statements which were soon followed by those of Carniti, who in CONQUISTE DEL LAVORO called for the immediate start of talks, to which the decisions on Euromissiles and Comiso would be tied. The striking problems of the world economy are also being deprived of enormous resources as a result of rearmament.

But how did we reach this point? How is the trade union movement reacting? We discussed this with Giacinto Militello and Emilio Gabaglio, who are respectively

in charge of international relations for the CGIL and CISL (the UIL [Italian Union of Labor] is represented with an article by its general secretary, Benvenuto, which we have published below: the trade union movement's response on these issues can only be united). According to Militello, the uncontrollability of the world economic crisis "has made war a terrifying but realistic alternative." Opposite thrusts in this direction are meanwhile coming from both blocs. In the East, the 20th CPSU Congress' policy of peaceful coexistence as an essential condition for progressive, revolutionary development is being reversed: such development will continue, however, even at the cost of an increase in international tension. In the West, Reagan is carrying to extremes a policy which already existed during the Carter administration—achieving U.S. world supremacy in all areas, military above all: "The struggle for dominance in the capitalist world even includes nuclear rearmament, pushing Europe and Japan into positions of greater dependence."

In Gabaglio's opinion, the crisis of detente is mainly a result of the policy of rearmament followed by the USSR in recent years and its disturbing expansionist aims (Afghanistan). "But the response," Gabaglio said, "cannot be Reagan's, the escalation of weapons production, the neutron bomb, which makes the unthinkable conceivable: a nuclear war, even if it were limited. Instead of fueling the rearmament race, which above all consumes resources, comprehensive negotiations must be opened. But this does not appear to be the view of the United States, which has not even been willing to acknowledge the positive signs sent out by the USSR." In the meantime, however, the decision on the missiles was made and the CISL agreed to it 20 months ago. "We said yes to the real need to offset the modernization of Soviet (SS20) missiles," Gabaglio replied, "but provided, as specified by parliament itself, that negotiations are opened immediately to determine the actual status of balance or imbalance, with the prospect of not installing those missiles." Today, and Carniti also stresses this point, we are at the second stage of rearmament (establishment of the location where the missiles will be installed), but negotiation, a condition which we consider irrevocable, shows no sign of life. And yet the United States was delegated by other NATO countries to open such negotiations. The U.S. delay in implementing this decision is serious, since negotiation could obviate the installation of Euromissiles and lead to a balance of forces at the lowest level, a balance thus negotiated with Europe participating not as a third force, but alongside the United States, making its independent, nonsubordinate opinion as protagonist be felt. The latter must induce negotiations with the prospect of gradual and controlled disarmament.

Militello proposes strengthening and broadening the agreements reached on these problems by the CGIL-CISL-UIL Federation: negotiations for substantial reduction of SS20 missiles, abandonment of Euromissiles and rejection of the neutron bomb by the Italian and European governments. The two superpowers must, of course, discuss the balance of East-West forces. "But workers must fight for disarmament: this is a factor which could lead to negotiations for a balance at the lowest level. Many steps can be taken toward this end: organizing a people's petition to collect millions of signatures among workers, bringing up the issue in congressional assemblies and in the next meeting which the trade union holds with workers on economic problems." In agreement with Benvenuto, who proposes meeting with the Socialist International and East European trade unions, Militello says that the ETUC [European Trade Union Confederation] can play a role without detracting in any way from national particularities, assuming that all ETUC unions are in favor of disarmament to varying degrees, from some British groups proposing immediate unilateral

disarmament to Holland, which rejects Euromissiles, to the DGB [German Trade Union Federation], which urges negotiation. "The ETUC itself could therefore promote the people's petition through national trade unions so that it could be submitted to community ministers and to individual West European governments. We will then have to call on our own government to be more active and resolute in promoting negotiations. Gabaglio and Carniti are right in saying that the decision on Comiso is serious: the United States is being given a sign that is the opposite of urgent negotiation."

In Gabaglio's view, the mobilization of workers, apart from any propaganda and at the risk of appearing pro-American or pro-Soviet, must have three aims: "making the people fully aware of the current dangers in the present and future situations with the escalation of weapons production; making it clear that peace is assured not by rearmament but by disarmament and by a new international economic order; demanding that the spirit of negotiation prevail in East-West relations. The Unified Federation will have to take independent action of its own to mobilize workers concerning the priority of the negotiations, even through an international organization. The entire ETUC will hold a special Executive Committee meeting on peace, security and disarmament in November and we Italians," Gabaglio said, "will have already been heard during the preliminary committee meeting in September. In its own sphere of influence, the ETUC itself will in turn have to speak out to urge Europe to take action, which makes this a decisive political issue internationally."

View of UIL Leader

Rome RASSEGNA SINDACALE in Italian 3 Sep 81 pp 3-5

[Article by Giorgio Benvenuto: "Uniting with the Socialist International"]

[Text] The value of peace is becoming more and more evident every day in the world, for which it is not a luxury but a necessity, not a goal to be proclaimed propagandistically but an irreversible choice to be pursued through concrete proposals and actions. Thus the technological modernization of destructive forces, combined with the confrontation logic of the military blocs, is causing a dangerous increase in arsenals and is stimulating rearmament while scattered sources of war throughout the world are apparently reviving.

The definitely necessary requirement of a balance among the various areas of the world cannot be based exclusively on military logic; this requirement will be satisfied, or rather planned and implemented at various levels, through negotiation, political debate, economic cooperation and gradual reduction of the instruments of destruction. The lack of a balance actually produces destabilizing effects, causes tension, adds to the climate of suspicion in international relations and increases the dangers of war.

It is therefore necessary to strengthen a culture promoting peace and at the same time to develop an incisive international plan of action. Only in this way will we be able to protect ourselves against the risks of a debate on rearmament and the threat to peace, a debate which could become too involved or abstract, or merely controversial and propagandistic, and could in any case perhaps increase the sense of helplessness in coping with these problems rather than spurring public opinion to do more and to be more conscious of what is at stake.

Thus not a marginal, but a very important role awaits workers and trade unions, who have always been sensitive to the problems of peace among nations. Our commitment must be commensurate with the nature of the issue in question; there is no doubt that we must also act impartially concerning an issue which is perhaps the most important and topical internationally. Peace and development go hand in hand, but as long as the North-South dialogue, economic cooperation, measures to stimulate employment and resolution of the most pressing social problems are superseded by the intensified production of more and more terrible weapons, they will remain a utopian dram. More generally, then, it must be stated very clearly that the production of arms cannot cause the problems of the economic crisis to vanish, but can only provide more and more opposition among the various spheres of influence and blocs.

The restoration of various conditions for moving toward and not away from peace is a problem of today: this is why the appeals for detente and the North-South dialogue, launched by the Socialist International itself on several occasions, cannot be allowed to fail. On the contrary, it should be said in this connection that trade unions cannot disregard the signs, warnings and proposals which the Socialist International has itself acknowledged on more than one occasion and perhaps it is also useful to begin a dialogue for that reason, both through the levels of leadership in that organization and through the ties which it has with worker movements and with developing realities throughout the world. This does not mean neglecting our own areas of influence and international trade union action. In fact, the international CISL must definitely make itself heard, reiterating not only the workers' clear rejection of any prospect of war but also striving to make other guidelines prevail for progress and to combat all poverty and limitation of freedom in the open world debate over the fate of humanity.

But the arms issue is affecting us more and more: even more than in the past, Europe seems to be a delicate and decisive chessboard for world balances. The necessity of opening negotiations on the complex issue of nuclear and conventional arms cannot be postponed and European governments must play an active role in this regard. It is Europe's duty to play a role of its own and EEC countries must now seize the opportunity to be effective partners in this debate, not by calling into question choices already made but by interjecting the full weight of opposition to the growing fever of weapons development, which could affect other countries and situations, instead of considering the matter under control and resolved.

A policy of peace and disarmament must therefore be pursued in order to maintain the process of East-West detente. How can all this be achieved? First of all, by active commitment to a gradual, balanced, negotiated and approved reduction of arms at the lowest possible level, to reestablishment of the balance of power and to present and future comprehensive negotiations. The choices in this delicate area cannot be the sole concern of any one country but rather the result of an international debate not limited by preestablished positions. It must be said, however, that in comparison to this general profile of the current positions of Atlantic Alliance member countries, there is no such real debate among Warsaw Pact countries, which is thus to the detriment of both effective detente and the continuation of broad East-West cooperation.

But trade unions can play a role in spite of this, an important role that will lead to the opening of a debate with the trade unions of Eastern countries concerning these problems, to urge them on and to encourage workers to consider more thoroughly and realistically what it means to have both an unstable economy and a growing desire to settle problems and disputes by military force. A peace offensive must therefore be launched socially to accompany all political and diplomatic attempts to eliminate the disturbing shadow cast on all of us by missiles and other arms production (which is also not adequately controlled; we must instead aim at productive reconversion more closely related to the world's hunger for development). Contact and the intensification of relations among trade unions is undoubtedly one of the first goals to be achieved. In this way we will understand the emerging idealistic tensions of youth and sectors of different faith and inspiration, in Italy and elsewhere, and also prevent the developing awareness of this problem from leading to a process of moralistic denunciation rather than to an attempted course of reasonable and realistic political action and social commitment.

Our country, first of all, and Italian trade unions thus have a great deal to do. In general, we must do everything possible so that the start of such East-West negotiations quickly becomes a reality and concerning us more directly, in Europe, we must immediately consider the question that a credible and lasting strategy for peace must be based on the reestablishment of a qualitative and quantitative balance of forces between the two blocs, which has been changed by the installation of SS20 missiles. And this balance can be established only at the lowest possible level to restore calm in the desired process. Unresolved problems in such matters can only be harbingers of bad news.

More than 35 years of peace in Europe, although difficult, cannot be considered either much or little. They must be interpreted according to the view of those people who escaped the disaster of world war and who asked and demanded that the specter of war be eliminated forever. We know well today that the potential for destruction is such as to reaffirm the hope of that time with even greater force.

11915

ITALY, FRG INTERIOR MINISTERS ON TERRORISM

Rome L'ESPRESSO in Italian 25 Oct 81 pp 29-34

[Interview with Italian Interior Minister Virginio Rognogni and FRG Interior Minister Gerhard Baum by L'ESPRESSO at the Puecher Cultural Center in September]

[Text] Milan--Last September the Italian Interior Minister Virginio Rognogni met with his West German counterpart, Gerhard Baum, at the Puecher Cultural Center. The occasion of the meeting was the presentation to Rognogni of the Great Cross of Merit of the FRG "in recognition of his part in the two countries' active collaboration in the fight against terrorism." The subject of the private talk which took place immediately after the ceremony was methods for combating armed terrorism. Our reporters were admitted to part of the talks and were able to ask the two men a few questions. This is what was said.

Question: Minister Rognogni, after the kidnaping and murder of Moro in 1978, a crisis arose within the ranks of various groups of Italian terrorists. Why didn't you take advantage of it?

R ,nogni: I don't think your comment is accurate. We did take advantage of it. It was, in fact, because of the first breaches in the ranks of the terrorist organization (think of the break between Morucci and Faranda and the Red Brigades during the crisis and of the statements made by Fioroni) that the government prepared legislation designed to promote the dissociation of terrorists from armed groups. Thus we had the Cossiga law-degree in December 1979. After this law was promulgated, the phenomenon of "repentant terrorists" dissociating themselves from their groups made considerable headway: thus events proved that the Cossiga law was valuable. Of course there may also have been an awareness by the terrorists that their political plan of action had failed: this may have been behind their decisions to disassociate themselves from terrorist groups, quite apart from prospects of lighter sentences. But this is important in itself, because it lends legitimacy to legislation for "repentant terrorists." Many members of the Red Brigades no longer believe in their political plan of action. Wher you are faced with the prospect of being a terrorist all your life, with no future, and without any expectations of achieving what you want, obviously doubts arise, anxiety besets you, you change your mind and the way you chose to spend your life. This was the real cause of the crisis of terrorism.

Question: But now the terrorists have changed their tactics. Don't you think that the Red Brigades, concentrating on social tensions, may be able to achieve a broad base of support among the masses which would make it difficult to combat them merely with the police and the judicial system?

Rognogni: It's true that there are exacerbated social tensions today which could be fertile breeding grounds for violence. Although it isn't right—because it is inaccurate—to always equate terrorism with social confrontation. At any rate, I believe that we can fight this new form of terrorism, which is seeking a social base, mainly by offering the alternative of an alert and rigor—ous democracy, and therefore policies inspired by high ideals and broadness of outlook. And it isn't just a question of domestic policies, but also international ones, at a worldwide level. The explosion of violence which many countries are experiencing on every continent cannot help but have direct and indirect repercussions on terrorism per se, wherever it manifests itself.

Question: Just what are you referring to?

Rognogni: I am referring to the increasingly acute tensions in hot spots around the world; to regional wars, both latent and overt; to struggles for the conquest of autonomy and independence with ethnic, religious or separatist overtones; to the conflict in the Middle East; to guerrilla warfare; to the resistence—bolstered by political, social and economic conditions in various given situations—with which authoritarian regimes oppose freedom fighters. It is a dark picture that emerges, and the political actions of governments and countries have been unable to brighten it. So, for too long, unsolved problems, and the tensions and anger that go with them, have festered. In the end, all this becomes a focal point, through vague and obscure paths, for the terrorism we are trying to fight here in Europe.

Question: A crisis arose among terrorists in Germany, too, in 1978 and 1980. Could you have taken better advantage of it, Mr Baum?

Baum: There are 30 arrest warrants out for terrorists in Germany now. There are 36 condemned terrorists in prison and about 50 persons detained awaiting sentences. My colleague, Mr Rognogni, has even worse numbers to contend with, unfortunately. But in Germany, too, there have been indications recently of a revival of terrorist activity. There is clear evidence that both the Red Army Fraction and the revolutionary cells are getting ready to exploit popular trends of anti-American protest, the antinuclear pacifist movement and the "house occupants". But as far as we know, neither has been successful.

Rognogni: The terrorists don't have the support of the masses in Italy, either. There is definitely no broad consensus among workers, despite the strong pressure the Red Brigades are bringing to bear on the factories. Trade union leaders are opposed to terrorism; they know that they must act jointly against it. They are starting to question the very use of violent language and the harmful personalization of the things they wish to combat. They are becoming aware of the perverse effects of certain slogans at a time when terrorism can exploit and ride on everything, including protests about the environment.

Anyway the attitude, the authority and the representative nature of the trade unions remain a strong force on this harsh terrain. There may be a consensus in the factories in favor of the trade unions, but it doesn't extend in other directions.

Baum: In Germany, the problem is how to cut the terrorists off from the oxygen of political and social motivation by offering them food for thought. On the other hand, given the image which the so-called "hard core" of the terrorists has of itself, I think it is impossible to get good results through legal concessions. To accept exoneration from punishment, or even leniency, would be equivalent for these people to renouncing the moral concept they have of themselves.

Question: But there are people who are willing to renounce themselves: the repentant Italian terrorists prove it ...

Baum: We have had some success using persuasion. I won't abandon that method, even if some people make fun of it. As for dealing with arrested people, in our country there are very few concrete possibilities for leniency or lightened sentences. This is for juridical reasons: the law leaves very narrow margins for maneuver. Of course I agree that these margins should be taken full advantage of, and this has not always been done.

Question: Mr Rognoni, you have criticized Italian judges, too, and their use of the Cossiga law.

Rognogni: No, I haven't criticized the judges; I merely said, in connection with a sentence passed under the Cossiga law, that the court could have inflicted a lighter sentence—as the public prosecutor requested. As you know, the Cossiga law provides for a lightening of sentences—to a greater or lesser extent—for terrorists who renounce violence, detach themselves from their groups, and collaborate with the authorities. There have been cases (and not just that of Peci) in which confessions have been made and information given which have enabled the authorities to get exceptionally good results in their investigations. It is for this reason, and at the behest of judges involved in investigating terrorism, that a trend has asserted itself in technical circles among the judicial authorities, among political groups, and in Parliament, in favor of greater legislative incentives for members of the Red Brigades to repent.

Question: On what basis?

Rognogni: The basis is always the same. There are members of the Red Brigades who demonstrate with their behavior that they want to withdraw from armed combat or at least dissociate themselves from their groups and make a final break with terrorism. There is obviously an opportunity here to promote and facilitate this trend whenever possible, by offering incentives.

Question: What kind of incentives?

Rognogni: The bill Parliament is studying now distinguishes between two types of repentant terrorists. First, there is the terrorist who repudiates violence but does not collaborate with the authorities. Then there is the terrorist who does collaborate, revealing the names of other terrorists and giving information about hideouts, terrorist nests, etc. These two different positions have different legal consequences, naturally more favorable for those who collaborate as well as disassociating themselves from their terrorist groups. In loth cases, the legislation takes the nature of the crime committed into account. For violent offenders the principle and rule of obligatory punishment remains in force; in such cases provision is merely made for lighter sentences. The legislation does contemplate some exceptions, however...

Question: What exceptions?

Rognogni: In some cases even violent offenders can escape punishment by getting suspended sentences. These are cases in which the repentant terrorist collaborates with the authorities in a truly exceptional way. So far there have only been 4 or 5 such cases, among the 50 or more terrorists who have collaborated with the authorities in varying degrees. These exceptions are for people who have committed murder but have subsequently left their group, repudiated violence, and helped the authorities in very significant and decisive ways, for example by giving information which enabled the police to break up terrorist organizations and capture whole groups of terrorists.

In theory I would not be opposed, either, to offering repentant terrorists incentives going beyond what has been offered so far. But it has become clear from these talks that in Italy there is a special reason for setting up legislation like that described by Rognogni. Of course in our country, too, there is evidence of weakenings within the terrorist movement that should not be underestimated and left to themselves. The successes of the police are important too, but it is true that it is the process of internal disintegration that is decisive in overcoming terrorism. At this point the question is whether we can promote that process by conceding some degree of impunity even to murderers. I wonder how the 30 terrorists of the "hard core" would react if I were to offer them this route. They claim that they have chosen murder because of their moral rigor, and I don't think they would discard their convictions like an old hat just because they were promised amnesty. I repeat: I expect all the possibilities offered within our legal system to be exploited. But the idea of compromising with murderers by offering them leniency or perhaps even freedom from punishment is not to be taken lightly. The very concept of the state as a state ruled by the law would suffer ...

Question: There are circumstances which indicate that your opinion about the so-called "hard core" of German terrorism is erroneous. Some of them, for example, have softened up. Maybe more of them would repent if they were offered a line of retreat.

Baum: I don't want an intransigent state. But we Germans, after discussing the Italian solution that "rewards" repentant terrorists who collaborate, have decided not to adopt this solution because it is inconsistent with our juridical system.

Question: But this Italian solution has been put into practice in Germany outside the framework of the law, and that's worse.

Baum: Unfortunately you are right there. But I would like to explain why we don't want a solution that rewards betrayal in a special way. We are afraid that this type of law would not only fail to induce terrorists to desert, but would also create a danger of a possible increase in violence as a result of promises of exoneration.

Rognogni: It isn't a question of providing incentives for betrayal, it's a question of recognizing the fact that there are terrorists who want to talk. It seems to me that it is clearly in the interest of the state to facilitate their confessions. I should add that this law is certanily not the ultimate or even the chief weapon against terrorism; no one ever expected it to be. But it is certainly a very useful, albeit unpopular, tool. For proof of its utility we need look no farther than the Red Brigades' fierce reaction to it and their declaration of a "campaign for repentants."

Question: But with this law Italy is encouraging and cultivating betrayal ...

Rognogni: We should be very honest with ourselves here because our priorities of values are at stake. What the terrorists are endangering is the supreme value of the freedom and lives of our citizens. Reference has been made occasionally to antifascists who refused to betray their comrades in any way even under torture. But the situations are very different. The antifascist, by keeping silent, was making a commitment to life, freedom and democracy. The member of the Red Brigades who is silent remains the accomplice of a crime against freedom, life and democracy.

Question: But shouldn't the state accept the possibility of a person withdrawing from terrorism but nevertheless being entitled to remain an adversary of the present political and social system?

Rognogni: The state certainly does not expect anyone to renounce his or her ideals. Its only duty is to stop the use of violence as an instrument of political struggle. Terrorists are people who engage in politics with bombs. Let them withdraw from armed combat and then keep on expressing all the ideas they like. I agree wholeheartedly that in a democracy no one can ask them to abandon their ideas.

Question: Does the law provide for this type of deserter?

Rognogni: Of course there can be terrorists who disassociate themselves from terrorist groups, repudiate terrorism, but don't want to collaborate with the authorities. Their position is a very respectable one from a moral standpoint, and it is relevant juridically, too, as far as dissuasion from terrorist activities is concerned. The legislation does take this position into account, but naturally to a lesser extent than the case of dissociation from terrorist groups accompanied by collaboration with the authorities, the latter case leading to lighter penalties. There is only one case in which dissociation from terrorist

groups leads to exoneration from punishment under the law, and that is the case of persons who are subject to prosecution merely because of their membership in an armed band and because of related minor felonies (possession of arms, favoritism) and who dissociate themselves from their groups, coming out of hiding, even though they are not wanted by the police.

Question: And in Germany what can induce a man who doesn't want to be a terrorist anymore to give himself up when life imprisonment awaits him?

Baum: I don't want to induce him to give himself up at any price. It's enough for me if he stops shooting.

Question: So he should hide and trust that the police won't find him, count on their inefficiency ...

Baum: The repentant terrorist already has a better chance because by not participating in the preparation of other crimes, he is not endangering himself any more. Obviously the police will continue to search for him. It isn't so much a question of the danger a person represents to society as it is of crimes that must be punished. We're talking about murder, after all. Still, people who dissociate themselves from terrorist groups and then lead lives that don't expose them to danger any more are removing themselves from the sphere of the police's search to some extent.

Question: Pursuant to the new law in Italy, all terrorists who, in the most diverse ways, furnish "elements that can be used to fight terrorism" get lesser penalties. Even those who sign documents exorting their former comrades to desert ...

Baum: What are these elements? An interview or an appeal to one's former comrades to dissociate themselves from terrorist groups can suffice to cancel crimes? The German juridical system prescribes life imprisonment for all murderers. Judges cannot lessen this.

9855

ENERGY ECONOMICS ITALY

OPEC COMPETITION SEEN AS THREAT TO NATION'S REFINERIES

Rome IL TEMPO in Italian 20 Oct 81 p 15

[Article by Agostino Meloni: "ESSO Financial Commitment for Plant Diversification; All Oil-Producing Countries Favor Refining"]

[Text] As if problems of oil purchase and consumption were not enough, those concerning refining are also now becoming increasingly grave occurrences. Italy has been importing, for the last 6-7 months, gasoline, gasoil, lubricants, namely finished products. What has happened to the refineries existing on the national territory? Many of these refineries did not upgrade their technical structures because the market in which operators are dealing is uncertain, because of difficulties in securing short-term capital and also due to diatribes linked to the chemical sector.

It follows that failure to make adequate improvements renders them and their finished products so much less competitive that our country is changing from an exporter to an importer even in this field.

The picture becomes even gloomier if seen in the light of international situations which, even now, can be visualized with sufficient clarity. Oil-producing countries, and not only those belonging to OPEC, do not limit themselves to exporting crude oil but are building their own refineries. Within the next few years, OPEC will have a refining capacity of 170 million tons a year, equal to Italy's entire refining capacity.

At this point the situation becomes difficult and the future of refining must be planned differently. Since technologies are in the hands of the industrial countries, refineries which OPEC countries are building are the so-called simple type, namely having the capability of separating from a ton of crude oil only its components which are combustible oil for almost 50 percent and light products like gasoline, gasoil and lubricants for the rest.

As a consequence, the refineries of the industrial countries must be upgraded to more sophisticated techniques in order that they may obtain from the same ton of crude oil a very large quantity of light products and very little combustible oil or initiate the process from the latter rather than from crude oil or produce only light products.

ESSO has taken this road already for some time with its Augusta and Trecate refineries. For years it carried out a conversion process and, as a result, it can now dispose of cracking and lubricating refineries. The advantage is that instead of refining in its refineries 12 million tons of crude oil a year, it treats only 9, plus 3 million tons of combustible oil (all at the Augusta refinery) which obviously costs less than crude oil.

In addition, there are other more advanced systems, like coker for example, that can produce returns higher than those from combustible oil, turning out only light products. The cost of these plants today averages approximately 2,000 billion lire for the treatment of 2 million in heavy products. As one can see, these plants are quite expensive and ESSO is moving cautiously in building one such plant in Rotterdam.

The future, nevertheless, lies along this road. In other words, producing combustible oil through refining processes and then burning it in order to obtain thermic energy is a waste, inasmuch as in its place one can utilize other energy sources like coal and nuclear energy. Instead, it is necessary to obtain the most possible light products to meet the market's growing demand.

ESSO estimated that in 1983 they will spend 430 billion lire for refining processes, two-thirds at Augusts, one-third at Trecate. Of these, 205 billion lire on plants, 125 billion lire to save 30 percent of annual energy, equal to 300,000 tons of oil consumed in the refining process, and 100 billion lire for the protection of the environment.

The Augusta plant, which meets 7.5 percent of the entire Italian oil demand, is on the right track. But if the other refineries operating in Italy or a large number of them do not convert as soon as possible, not only will they become increasingly less competitive with respect to other European and American refineries, they will be crushed by the competition of those of OPEC countries.

9758

ENERGY ECONOMICS ITALY

ACCORD FOR POWER PLANT IN ANCONA SIGNED

Rome STAFFETTA QUOTIDIANA PETROLIFERA in Italian 16 Oct 81 p 2

[Text] The talks between the Marches region and ENEL [National Electric Power understanding signed Tuesday in Ancona will include a Agency] based on a memo . the construction of a plant, supposedly a thermosection set aside to ear electric plant. The possi ity of building a nuclear plant had been rejected due to the frequency of earthquakes in the region. The memo of understanding, signed by the president of the regional assembly, Emilio Massi, and by ENEL's president, Francesco Corbellini, will encourage the further developing of a concrete sense of cooperation based on the following highlights: 1) Organization and development of diversified information plans of fundamental aspects of problems relating to energy; 2) drawing up of program plans for electric plants in proper measure for the region's economic development within the framework of the region's general development plan; 3) coordination of proposals for both the location of electric energy production plants and for those plants which have already been built; 4) evaluation of the regional industrial production capacity as it relates to ENEL's own investments; 5) the study of most efficient ways for optimal and coordinated use of energy: such as research and initiatives for energy savings, development of alternate and integrative sources of energy, combined production of electric and heat energy for civil and industrial uses as well as the multiple methods for utilization of water.

The region's president, Mr Massi, noted that the Marche's e. ctricity deficit is over 60 percent when compared to other regions, and if the situation is not remedied by the end of the 1980's, it will rise to 83 percent. Particular attention should be payed to alternative sources of energy and energy conservation in general: with this in mind, a new memo of understanding will soon be underwritten by CNEN [National Nuclear Energy Commission]. ENEL also, stated Corbellini, is involved in research in integrative funds, however, in the short run it is necessary to find a solution to satisfy the demand for electricity which is quite scarce all along the Adriatic coastline because of the absence of large plants ranging from Porto Tolle (Veneto Region) all the way to Bari. The construction of turbogas plants (one will be built at San Benedetto del Tronto) is too costly and not convenient because their sole purpose is to provide energy needed only during peak hours.

9209

ENERGY ECONOMICS ITALY

STATUS QUO ON METHANE PRICES DUE FOR UPSET

Rome STAFFETTA QUOTIDIANA PETROLIFERA in Italian 16 Oct 81 p 3

[Text] Beginning next year, industrial interest groups plan to upset the status quo which had resulted from the accord reached between SNAM [National Gas Pipeline Company] and Confindustria [General Confederation of Italian Industry] on the price of methane for industrial uses. This was stated in an interview with ILESOLE 24 ORE by Luigi Derlindati, president of Assopiastrelle and member of Confindustria's board of directors who has followed, first hand, the lengthy negotiations recently concluded by way of the accord. Derlindati stated that the negotiations will have to start very soon for the conclusion of the new accord to replace the one now in force, which is slated to expire in April of next year.

In stating that the negotiations will be conducted on completely new precepts, Derlindati emphasized that "the formula linking the price of methane with that of heating oil does not correspond to the actual 'caloric equity' and is therefore heavily weighted in favor of SNAM." He went on by stating that if such an arrangement did not work properly in 1978 when the price of heating oil was fixed, so much more reason that it should not work today, due to the prices being monitored.

Derlindati concluded by stating that in his opinion, there must be a change in philosophy of the use of national methane consumption, from which SNAM recently benefitted because of the increase in the value of the dollar. Though stating that he is in favor of earning profits through the distribution of methane, Derlindati believes that native methane should be earmarked for production which results in income and jobs, while imported methane, making use of a differing price structure, should be directed toward domestic uses, which can often be better consolidated and managed.

9209

ENERGY ECONOMICS

BRIEFS

MEXICAN CRUDE FOR MONTEDISON--Beginning on 1 January of next year, Montedison will purchase crude oil from PEMEX at the rate of 20,000 barrels per day. The crude will be furnished by the petroleum agency of the state of Mexico to Montedipe, a company belonging to the Montedison group engaged in the petroleum-chemistry sector. An agreement formalizing the above was signed a few days ago in Mexico City by the representatives of PEMEX and a delegation from Montedison, led by Montedison's foreign sector director, Pasquale Landolfi. The agreement, which provides the basis for a greater cooperation between the Italian chemical group and the Mexican petroleum authority follows an agreement by which AGIP [National Italian Oil Company] is to receive from PEMEX 60,000 barrels of crude a day for a total of 3 million tons yearly. Deliveries called for by this second agreement will also begin in 1982. [Text] [Rome STAFFETTA QUOTIDIANA PETROLIFERA in Italian 16 Oct 81 p 2] 9209

IRI'S ENERGY SAVING PLAN--The president of IRI [Industrial Reconstruction Institute], Pietro Sette recently briefed Etienne Davignon, vice president of the EEC Commission on a program of initiatives aimed at reducing by 8 percent the energy consumption of the group's companies. The program calls for a financial commitment of 400 billion lire, half of which is earmarked for the Mezzogiorno. Beside Finsider [Iron and Steel Finance Corporation] which will take up 300 billion lire, other companies involved include Finmeccanica [Mechanical Engineering Finance Corporation], STET [Telephone Finance Corporation] and Fincantieri [Shipyard Finance Corporation]. The aim is to be able to save 850,000 tons of petroleum equivalent. In 1980 alone, the IRT group consumed 12 million petroleum equivalent tons, which was equal to 8 percent of total national consumption. The program, outlined in a document which required 19 months of work, is labeled "Phase 2," to distinguish it from other recent programs which, between 1973 and 1978 resulted in savings of 6 percent of required reserve totals. The new program of activities will be feasible in its entirety only if funds become available from EEC at economically acceptable rates. [Text] [Rome STAFFETTA QUOTIDIANA PETROLIFERA in Italian 16 Oct 81 p 3] 9209

GOVERNMENT FUNDING FOR STEEL MERGER DISCUSSED

Duesseldorf WIRTSCHAFTSWOCHE in German 16 Oct 81 pp 18-20

/Text/ After their merger Hoesch and Krupp want the government to fund almost 90 percent of their investments. The Federal Government objects but would like to merge the Salzgitterwerke in the "Ruhrstahl AG" also.

Former state secretary Detlef Karsten Rohwedder, since 1980 board chairman of Estel Hoesch Werke AG, was rebuffed by his former boss. Instead of the expected promise of billions from the public treasury to reorganize his steel plants in Dortmund as well as those of his future merger partner Krupp Stahl AG, Federal Economics Minister Otto Graf Lambsdorff administered a rebuke: "Your proposals are very definite with regard to public aid but very sketchy as to your own efforts."

As it was, the count's admonition to his former subordinate was rather mild. Six days earlier, in a letter to Lambsdorff dated 2 October, Rohwedder disclosed how the major stockholders envisaged refloating the companies after the proposed merger: Almost exclusively with government money.

The Rohwedder letter had figured the investment needs of the future "Ruhrstahl AG" at DM5.07 billion in the years 1982-1987; DM2.49 billion for "replacement investments" and another DM2.58 billion for "investments required for normal operation"-current replacement repairs, complementation and blast furnace deliveries.

At present-day prices the construction costs of a new structural steel plant in Dortmund alone are assessed at DM850 million. Also to be built in Dortmund is a new continuous annealing facility at a cost of another DM200 million.

The managers of Krupp and Estel Hoesch had envisaged the contribution from public funds to be DM4.51 billion-89 percent of the total investment sum. Krupp and Hoesch would like to get DM1 billion as a once-only irrecoverable working fund grant, the remainder as conditionally repayable grants. Rohwedder submitted a detailed plan for the payment orders required from the government: DM1.86 billion next year, DM970 million in 1933 and 1984, the remaining DM1.68 billion in the years 1985-1987. Should costs and profits turn out better, the steel managers reckon that a total of DM3.8 billion from government funds might suffice.

Even on the first reading of Rohwedder's letter, the addressees in Bonn noted the parent company's lack of contribution to the recovery of its subsidiaries. One

senior official complained bitterly: "A firm is supposed to be restored to financial health by public monetary contributions which are no longer consonant with our economic system." He called the requests "positively impudent."

The steel experts among the ministry officials were particularly annoyed by the fact that the profitable further processing departments of the firms concerned were not to be brought into the merged company-memories of the 1968 establishment of Ruhrkohle AG were revived: At that time the original owners offloaded onto the unified company almost exclusively mines which required extensive restoration, hanging on to profitable and valuable property such as enormous parcels of real estate.

Thus predisposed Lambsdorf, Finance Minister Hans Matthoefer and the two North Rhine-Westphalian Land ministers Diether Posser and Reimut Jochimsen received the petitioners from the Ruhr: The board and advisory board chairmen of the steel plants willing to merge and also the advisory board chiefs of the respective parent companies.

The count admonished the managerial ranks: "No repeat of Ruhrkohle, please!" And Matthoefer said gruffly: "You must not think that you can play dirty pool with us."

The federal finance minister also inquired whether the German-Dutch Hoesch parent company Estel (which already in 1980 and 1981 refused to take over the DM600-800 million losses of the subsidiaries) did not after all have a latent reserve of about DM1 billion. Rohwedder denied that.

Annoyed also with the Hoesch and Krupp managements were the employee representatives who, last Thursday night, "irately" (to quote someone present at the discussion) told the ministerial quartet that they had not been initiated in the plans which, after all, would result in 18,000 redundancies. IG /industrial labor union/ Metal executive board member Rudolf Judith complained: "As far as we are concerned, we are still in a complete fog."

At the same time the Bonn people believe in the future benefits of a Hoesch/Krupp merger as the result of the elimination of parallel productions. Federal and Land ministers therefore stated their readiness in principle to make money available from July on via the rather slimmed down federal program of aid to steel--provided the owners show themselves willing to embark on "entirely reasonable efforts" and submit a "tenable, plausible and concrete concept."

Consequently letter writer Rohwedder and his companions were assigned "home work" (to cite a member of Lambsdorff's staff). Before any additional aid is granted the steel bosses are to produce detailed data on rationalization effects, profit expectations, cost development and the attitude of the banks--data which will be checked by the auditors of Treuarbeit AG.

The managers also had to swallow another bitter pill. Before going to Bonn again with outstretched hands, they will have to initiate "intensive discussions" with the distant federally owned Salzgitterwerke to explore the possibility of the latter's inclusion in the future Ruhrstahl AG or at least of close cooperation. Matthoefer who, in his capacity as finance minister, is also the administrator of federal property, considers this the best chance for the federally owned firm to weather the shrinkage of the German steel industry.

Only a few months ago Lambsdorff vehemently disputed the steel subsidies in neighboring European countries because he thought they were distorting competition. He has now resigned himself that sooner or later he also will have to increase government aid. Outwardly, though, he remains a hardliner: "We will not do anything in contravention of the EEC's code on subsidies."

11698

CSO: 3103/87

ECONOMIC

DIHT PRESIDENT FORESEES PERIOD OF RECESSION

Bonn DIE WELT in German 14 Oct 81 p 11

[Article by Harald Posny: "Wolff: I Cannot Foresee the Famous Silver Lining, Even For 1982"]

[Text] Duesseldorf--In view of only moderate activity in the consumer goods business and further weakness in basic, production and capital goods, the German economy is not looking for a real upturn right away. In the opinion of the President of the German Industry and Trade Day (DIHT), Otto Wolff von Amerongen, we will "continue to come face to face with a recession period during the coming fall and winter." Says Wolff: "Even for 1982 I cannot see the famous silver lining."

In a speech at the DIHT congress in Duesseldorf, Woff based this somber evaluation of economic prospects on the fact that the uptrend in exports which during the last few months served as a pillar of the boom, had to date profited from the pricing advantages of a weak mark. These temporary advantages are in danger of crumbling. Additionally, he said, our most important trade partners' market conditions are, for different reasons, not much better or even slightly worse.

Also, insecurity due to economic policies in foreign countries was a determining factor of the economic climate. As examples, Wolff cited the questionable feasibility of U.S. president Reagan's economic program; the "socializing experiments" in France; and the subsidy craze of a country like Belgium, which has stretched its credit to the limit. Wolff is also afraid of the danger of contamination radiating from Paris, such as price controls, reintroduction of foreign currency controls and transfer of capital, which had previously exerted a direct influence upon the German economy.

Wolff warned against considering the planned long-term trade with the East as a boom producer. However, he said, long-term prospects are not bad, especially if the natural gas deal with the USSR goes through, which would provide foreign currency to Moscow also.

According to Wolff, the FRG Government's economic policy lacks the courage for long-term planning, due to the static thinking of several special interest groups within the coalition. Says Wolff: "What we need is a stability-oriented policy, a well-prepared intermediate term fiscal concept without social policy taboos. The word "unacceptability" should not be used so indiscriminately. The economy is the

least affected by "unacceptability." He reminded his audience of the DIHT proposal for an "Operation Lawnmower," which would eliminate 10 percent of all subsidies. No other group had come up with such a proposal, he said.

As to budget policy, he considers a twin strategy to be necessary: a consolidation of budgets and greater investment opportunity. He considers the budget proposal entitled "Operation 82," no matter whether that title derives from the military or the medical domain, to be fragmentary. Says Wolff: "It is unfortunate if during an operation of any kind the operators stop to ask themselves whether, where, and with what instruments they should operate." He is afraid that the submitted budget proposal would be ineffective.

The DIHT president reproached the government for having given much too little consideration to budgetary risks in view of unemployment, tax revenues and international payment obligations. He expressed doubts askto the validity of certain individual budget items, such as some in the defense area. Also, he considers it questionable whether in 1982 the Bundesbank would again have a DM 6 billion surplus.

Wolff reminded the audience that a growth decrease of 1 percent would result in a tax revenue reduction of DM 6-7 billion. He considered the assumption of a 2-2.5 percent real growth next year to be unrealistic.

For 1982, Wolff predicts even greater budget turmoil and increased damaging vacillation. Says he: "This annual uncertainty over the budget could damage even the healthiest economy."

9273

CSO: 3103/75

ECONOMIC

INSTITUTES CITE FISCAL POLICY AS CAUSE OF UNEMPLOYMENT

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 27 Oct 81 p 13

[Article: "Warning to Economic and Wagescale Policy Makers--Research Institutes Expect 1982 Unemployment 'Easily' To Reach 1.6 Million"]

[Text] Bonn, 26 October--The FRG's economy is still in a marked condition of weakness. Employment continues to drop. The number of unemployed is about to reach 1.5 million. This is the somber picture described by the five leading market research institutes in their joint fall report. The institutes contradict FRG Chancellor Schmidt's dictum that the reasons for the economic difficulties are primarily based on drastic increases in the cost of energy and on unfavorable world market developments. The market researchers say that equal blame belongs to the wagescale negotiators as well as to economic and fiscal policies.

A majority among the institutes fears an average annual count of "easily 1.6 million" for 1982. This would correspond with 7 percent unemployment. The report estimates actual growth to amount to only 1 percent. Kiel's World Economic Institute even expects a decline of 1 percent, as in 1981, and 1.75 million unemployed. All five institutes jointly express their confidence that there will be an improvement in the economic situation during the coming year. However, there is lack of agreement as to the timing of the turnaround.

The HWWA Institute for Market Research in Hamburg, Berlin's German Institute for Economic Research, Essen's Rhine-Westphalian Institute for Economic Research and the Ifo Institute for Economic Research in Munich are no longer counting on a significant drop in productivity "as of today" and predict a rise during the first half of 1982, "starting approximately in the spring." However, the Kiel institute is of the opinion that the bottom would not yet be reached during the winter 6-month period. It does not see a possibility for an increase in productivity until the second half of the year and a better use of full capacity only by the end of 1982.

"Economize in the Right Places"

Predictions for an upswing during the first half are based on the following assumptions: the revaluation of the mark would put an end to the loss of purchasing power to foreign countries, which had previously strongly depressed domestic demand; there would be a drop in monetary pressure on the economy because the Bundesbank, in view of the improvement in the balance of payments, would

have some latitude for supporting a decrease in interest rates; there would be a decrease in the strong pressure on profits exerted by costs; industries would have to replenish their shrunken inventories if they did not want to risk losing sales; foreign trade would show gradual improvement, with a concomitant effect upon domestic demand. Despite the revaluation of the mark, the PRG would participate in the estimated 3 percent increase in world trade. The Kiel institute is more skeptical in its judgment of world trade development and exports, cites increasing pressure for wage increases and does not see a change in monetary policy.

Economic Policy: The market researchers recommend that the federal government orient its economic policy strictly toward intermediate term requirements rather than to chase after supposed successes. This would be the only way of solving the primary task of creating conditions for self-generated growth and for continuous price stability, with the eventual objective of cutting the recent 6.5 percent rate of inflation in half during the coming year. There should be no new programs of any sort. Such short-term activism would only serve to create an economic flash in the plan. This would be no way to overcome the growth deficit. The employment picture would be harmed rather than helped. The German Institute for Economic Research is of the opinion that it is not enough to improve intermediate term expectations, but that the state has the duty to stabilize the economic situation for the near term by taking appropriate measures.

Fiscal and Budget Policy: The institutes urgently call on Bonn to initiate a durable stabilization of state finances and to create a clearly visible situation. Fiscal policy must divorce itself from transition solutions. The authors of the report consider inappropriate a consolidation of public finances with "a unilateral alignment with the budget deficit." In proceeding with the reorganization, the policy makers must not be tempted to take cycle-favoring measures; i.e., they must not orient expenditures strictly toward the income which is increasing more slowly as a result of market conditions. The decisive factor is "how" to lower the budget deficit, i.e., to make reductions in the appropriate items. It is not enough to stop fraudulent receipt of social security payments; the emphasis must be placed on tightening the social security system. This would be the only way in which the requisite order of magnitude in cost reductions can be realized.

Wage Policy: Four of the research institutes consider it mandatory that wage agreements for 1982 be at lower levels than those of 1981. The Kiel scientists even consider it necessary and feasible that there be no nominal salary increases at all in 1982. The Berliners on the other hand think that wage policies during the last few years are not to blame for economic troubles; on the contrary, they feel that wage policies had proven quite adaptable.

Monetary Policy: The authors recommend that the Bundesbank make a transition to a potential-oriented money supply policy. An increase of 5.5-6 percent in the money supply would constitute a greater increase than during 1981. In the opinion of the institutes, this would not constitute a departure from the Bundesbank's stability-oriented policy.

Budget Balance: For 1981, the market researchers estimate a budget deficit of about DM 25 billion, compared with DM 30 billion in 1980. Next year, they think, the budget should come close to being balanced.

Principal Statistics From The Institutes

Changes (Percent)	1981	1982
Real Growth	-1	+1
Price Increase (Consumption)	+6	+4.5
Number Employed	-1	-1.5
Personal Expenditures	+4.5	+5
Government Expenditures	+7	+5
Capital Investment	0	-1
Equipment	+0.5	+1.5
Construction	0	-2.5
Export	+12.0	+9
Import	+10.5	+5
Gross Income (Employees)	+5	+3.5
Gross Income (Employers, Incl. Investment Income)	- 3	+7.5

CSO: 3103/77

POLITICAL AUSTRIA

RISE OF VICE-CHANCELLOR SINOWATZ VIEWED

Vienna PROFIL in German 27 Oct 81 pp 14-18

[Article by Elisabeth Welzig: "The Reserve Chancellor"]

[Text] As recently as a year ago, his opinion was in demand only in matters of education; now he is getting himself into the headlines more and more frequently. As long as Kreisky is "forced to take it easy," Sinowatz is the boss in the government.

For years, as a bobsledder, bicyclist, conqueror of mountain peaks and crack pingpong player, he made sure that he stayed close to the people, causing people to smile. Since becoming vice chancellor, Sinowatz perforce has had to try for a new image. As soon as the old master absents himself, the man from Burgenland, whom press chief Hans Pusch at one time peddled as someone unique, of rather nonpolitical but all the more pleasant dimensions, has to wield the government scepter. At the moment the chancellor is ruling not at Ballhausplatz but in Armbrustergasse.

While no one will ever dare doubt Kreisky's presence in spirit, no matter where he actually may be at the moment, even he cannot outwit the demands that his age is making of him. The onetime concentration of power is perforce loosening, with the agenda being divided up ever more visibly. Heinz Fischer, Karl Blecha and Fred Sinowatz have long since ceased working behind the scenes; they are in charge of the deputies in parliament, of the party and of the government for everyone to see.

Of course, always "in close contact with Kreisky." In the past year, however, such contact quite frequently could be established only by telephone to the sickbed.

In March, Kreisky had to undergo an operation on his right eye in the United States. What happened then was described by the WOCHENPRESSE ("How the Power Is Weakening") as follows:

"On 15 June the chancellor was taken at lightning speed to the Rudolfspital [Rudolf Hospital]. Shortness of breath and poor circulation indicated pulmonary edema.

"From his activity in the Steier mark election campaign in September, Kreisky finally returned limping, having suffered an attack of gout.

"A neglected case of the flu, which then developed into pheumonia, has put the chancellor out of action these past few weeks. Another eye operation is pending in the immediate future."

Thus Sinowatz, who used to rub elbows with the people while sporting through the countryside, did not have time gradually to get used to his role of number two in the government but, right after having relieved Androsch, had to stand not only behind Kreisky as his deputy but also up front in his place. A position which he himself—as yet—apparently finds a little eerie. "I think in two halves of my brain, once as minister of education and once as vice—chancellor," he says rather awkwardly in describing his dual function.

While the two dapper heirs-apparent, Poldi Gratz and Hannes Androsch, were consumed in their struggle of competing with each other, stumbling just as ineluctably out of the chess game of succession as they had raced ahead in it at first, the uncouth "peasant" slowly but surely moved up from behind. He was moved up until he came to stand right behind the king, resisting becoming vice-chancellor "with every fiber of his being"—a foil for the grand bourgeois man-of-the world with monarchist features; a petit bourgeois from Burgenland, a fellow whom one does not revere but whom one simply likes.

After the disappointment over the smooth career types scintillating with the eroticism of fame, there is a great need for peace and warmth. In times like these, when the term of "icebound society" has become a slogan of the young, teddy bear to cuddle up with is more attractive than a cold technocrat.

It is hardly likely, however, that the omnipotent father figure of Kreisky can be replaced by a single person. If the heritage were to be divided in the present configuration, a succession in accordance with old family tradition can be expected at Ballhausplatz. No one will oppose the moving up of the easygoing elder brother who has never remonstrated and has always been conciliatory and amicable. A brother who never asserts his rank, who is like you and me, who has his failings and fears and a secret with which he beats all the operators: he has never yet buttoned up completely.

People in the know among the opposition sense a danger behind Sinowatz's open and comradely demeanor. "Good-natured though he is," says Erhard Busek, "he has ideas and objectives from which he is certain not to deviate, at most agreeing to detours."

Whereas rightwing negotiators praise the pragmatist Sinowatz as an "extremely know-ledgeable man who will always listen if there are superior arguments" in the words of OeVP [Austrian People's Party] school spokesman Hans Katschthaler), the leftwingers are disappointed at the politics of small steps. But, a mutual reluctance to bite does not permit any really aggressive criticism from that side either. "I've always had a soft spot for him because he looks like a toad that has fallen from the hay wagon," says Peter Turrini, summing up his attitude toward Sinowatz--after having thoroughly given vent to what he thinks about his cultural policies. "Ten years ago I waited for him with a feeling of euphoria. Today the cashing in of my hopes is minimal. The bottom line of Socialist cultural policies is the political caveman mentality of the working class. You cannot dance with the same behind at the proletarian and the bourgeois church fairs. I have positive human feelings for Sinowatz, but in fact all that he could think of was to stand around in a liberal, friendly

and conspicuous way." Instead, the "Alpine saga author" thunders on, he could have refurbished the run-down labor union cultural policies. "There would have been an opportunity for him to pursue a cultural policy via the training of works councilors, but in fact the people there are being trained only for good relations between labor and management."

Sinowatz, who when he was a member of the Burgenland government used to "capture people like an itinerant preacher" (Hellmut Andics), would like to make long-term structural changes. A passionate hiker who tires quickly in parliament, looking like an uprooted tree in the neoclassic halls, Sinowatz prefers to substitute spontaneous human action for verbal fencing. At the Bregenz Festival last year, he took the wind out of the sails of an action opposing the opening by breaking with protocol and taking a walk along the lake with the rebellious Vorarlbergers.

A Catholic in name and a Freemason, Sinowatz likes to philosophize and would have a few things to say, but declares: "It is better for politicians to listen and do less talking."

Sometimes he takes a stand nevertheless, particularly if he can draw on personal experience. Thus commuter Sinowatz, who for 10 years has driven 41 kilometers daily from Neufeld to Vienna and back again, sides with the SPOe [Austrian Socialist Party] women and the OeGB [Austrian Trade Union Federation] leftwing in giving a shortening of the workday preference over an increase in vacation time. Otherwise, the vice-chancellor handles labor union questions with great caution, saying: "The form of leadership of the OeGB will not be the form of leadership of the party."

His attitude is clear and courageous whenever it is a question of putting an end to fascists. Thus he promptly resigned as honorary patron of the OeTB [Austrian Gymnasts Federation] festival in Villach after resistance fighters had enlightened him about the background of the association.

Yet, says Sinowatz's cousin Norbert Leser, "he will have to commit himself more on issues." Attractive though it may be when as minister for education and arts he professes, "I like Grillparzer best at Forchtenstein, because it is over in an hour and a half," and admits without pompousness, "I have a feeling of awe, of a certain humility, as far as the office of federal chancellor is concerned," in the game of succession his position—between left outside forward Josef Hindels and right outside forward Androsch—will have to be defined more exactly.

"He gets going slowly and then flattens everyone like a steamroller," says Burgenland government member Gerald Mader, in charge of cultural matters, about his predecessor in office, and at least Sinowatz's political career has proceeded in accordance with that Sinowatz principle of advance: in a straight line, without any sort of escapade or slip-up (if one disregards his onetime foible for Province President Theodor Kery), he worked his way up in the party. From Burgenland party secretary to Burgenland government member in charge of cultural affairs and then, in 1971, the leap to the Vienna parquet. Having first been under consideration as minister for agriculture, he finally reported to Vienna, with a couple of red Doppler shifts in his luggage, on 21 October 1971 to succeed Leopold Gratz as minister of education.

It has not come to any steamroller kind of flattening of conservative value concepts, however, in his 10 years at Minoritenplatz. Teachers on the SPOe left fringe reproach their minister for having sold his opposition to disputes as readiness to compromise, of pursuing his aims of reform halfheartedly. In the Sinowatz era, they say, Social-

ist school policy has been reduced to such sociopolitical measures as gratis school-books and free public transport for students.

Only FPOe [Austrian Liberal Party] school spokesman Friedrich Peter is under the impression that, in the final analysis, the OeVP has always yielded to Sinowatz. He says: "Having fitted out the two-thirds majority with a kind of educational-policy nose ring, he consistently inflicts on it exactly as much pain as it can be expected to bear."

The threshold of pain in this key sociopolitical field is extremely low. After 10 years of negotiations about an integrated comprehensive school, a middle grade reform is to become reality in 1985--which, Sinowatz opponents claim, with its performance grouping system, in fact really will again produce alpha, beta and gamma children in the Huxley sense.

The Sinowatz type of kid-gloves socialism complements the structural factors in the educational policy sector. Just as in cooperation between labor and management, here too the "quid pro quo" slogan prevails. Not only is Sinowatz suited by nature to coalition and tactical maneuvering, but his ministry constitutes the ideal parade ground for such operations. For one thing, he must overcome in parliament the two-thirds-majority hurdle which the SPOe itself established for the passing of school laws, and, for another, he has to administer a ministry which on the whole he has left as "black" [conservative] as it has been all along. Thus, to a large extent, school policy continues to be determined by an OeVP man Leo Leitner, the department head for general school matters.

Nevertheless, critical educators object mutinously, Sinowatz at least ought to have taken advantage of his popularity to start a public debate. Instead, they say, he has consistently denied the existence of educational policy problems, and in the past 10 years school policy has followed a centralist bureaucratic system which no one realized existed.

Whereas with 95,000 teachers and 300 new schools Sinowatz has created a good infrastructure for 1.5 million students (65,000 teachers for 1 million students in 1970), the proportion of workers' children studying at Austrian universities has dropped rather than risen in his era.²

A minister who seldom got into the headlines over a period of 10 years, he was unable to register any sensational successes in his department. His physiognomy, which Austrians at first had to get used to 10 years ago, has its own power of attraction in a period of political insecurity. While still far behind Gratz and Androsch in an IFES image poll 5 years ago, Sinowatz as early as 1979 was the minister to score the highest marks of support, and in December 1980 he ranked second in popularity among politicians—immediately behind Kreisky.

When in June the deputy-in-spite-of-himself for the first time had to take charge of the government in place of the ill chancellor, Kreisky too no longer made any secret

¹ Laid down in the School Organization Law in 1962.

² Cf Anton Pelinka, "What Remains of Kreisky," in PROFILEXTRA, September 1980.

of his preference. "He stood in for me in an outstanding fashion," he said. "He is one of the most decent and politically best-qualified people I know. He drew my attention when he was still a rising star in Burgenland, invariably in a cool and sober way assigning a backseat to personal considerations.

The nonintellectual exterior hides a highly political man. He has outstanding administrative ability. He has everything, being entirely straightforward and pleasant, and personally one immediately enjoys a good relationship with him. He can be relied on absolutely and has also shown his mettle in difficult times."

"Social democracy was put in my lap," says the modest, sincere man from Burgenland, describing his political ideas and actions. Born in 1929 in the Neufeld Hemp-Jute Factory's housing development as the only child of a mechanic and a woman worker, he cut his teeth, as it were, on a determination not to give up. Having become unemployed during the depression, his father built up a small coal trade and hauling enterprise. His mother became a works councilor. The greatest influence on the education of the later minister of education, however, was exercised by his uncle Josef Csech, director of the Neufeld Workers Library and later (1950 to 1972) the most important postwar mayor of the municipality. It was he who instilled a longing for knowledge into the boy, who talked little and spent a lot of time by Limself.

Nevertheless, he later had to repeat a grade in secondary school—though for reasons of illness. In turn, however, he finished in record time his university studies in history and German language and literature (his doctoral dissertation, under Prof Heinrich Benedikt, was entitled "Reformation and Counter-Reformation in the Duchy of Forchtenstein and the Domain of Eisenstadt"). In 1954, the "red" university graduate in Eisenstadt (still "black" at that time) as the new secretary to Albin Dostal the government member in charge of social administration. Perhaps Dostal, a Burgenlander by choice who has gone down in Burgenland history as a "quiet, modest, cultured and highly political man," was responsible for the later Sinowatz style—the fear of simplistic thought patterns, an understanding for different points of view and a cautious approach to problems.

It appears that there are two souls in conflict with each other in this--still think-ing--politician. On the one hand, he calls Victor Adler his exemplar, admires the intellectualism of an Otto Bauer and is influenced by socialist thinkers. On the other hand, he realizes that in a bourgeois society he cannot be any more than a reformist administrator of the system, that he cannot exceed predetermined limits. And yet he could have set counteraccents, and in ticklish political questions he ought not constantly to evade the issue by saying that "it depends on the given political situation."

Whether it is the question of leveling incomes or the question of balanced codetermination in industry, the vice-chancellor does not like to commit himself and seldom shows his claws.

While it runs counter to his ethical concepts for leading Socialists to become nouveaux riches, support for his party and loyalty invariably take precedence when it is a question of universally known comrades. "Kery is a Socialist but an unconventional person" and "Androsch was 10 years too young when he entered the government"--statements more unequivocal than these, Sinowatz will not make in public.

The philosophizing man from Neufeld, who likes to walk alone for hours in order to find himself again and who makes his best speeches whenever he has forgotten to bring his script and can be entirely himself, has become more self-assured since assuming the office of vice-chancellor. He will, however, be spared now even less than previously the ambivalent way of life of a powerful man who at the same time is a dyed-in-the-wool Socialist.

As early as 5 days before the Opera Ball he complains, "It's awful, I am spared nothing," but, though he detests the jet set, will then put in a neat appearance in tails at the social event. His smart and charming wife, Hermine, whom ignorant blabbermouths sometimes believe to be a girlfriend rather than a beloved spouse, regards such occasions as "official exercises."

The father of two grown children, Sinowatz is convinced that the "inferior treatment of women is a class state of affiars which should be changed." His wife, who "enjoys the pleasant and tries with detachment to cope with the rest," speaks of teamwork in the family, saying: "I am in charge of the menial work, while he is in charge of the lofty. I have reconciled myself to reality and, if only for reasons of solidarity, would not chuck it all." Women's Affairs Undersecretary Johanna Donhnal, she says, lends Sinowatz "the greatest support because he does not represent any threat."

The reality to which Hermine Sinowatz has reconciled herself looks like this: She "married him at 79 kilograms and has gotten more and more husband," but now sees less and less of him. At the same time, however, it is she who represents a place of rest, a refuge, without which one could probably hardly imagine Fred Sinowatz as the balanced personality who is now under consideration as a candidate for the office of chancellor.

His success cannot be explained by listing political facts; it is a personal success that is reflected politically. He has outlasted the brilliant personages because he provided himself with neither mask nor armor. He is a leading politician with whom one would like to have a glass of wine even if one does not want anything from him.

"Sometimes I dream I am in a crowd in the nude and cannot find my clothes"--when Sinowatz talks about that nightmare of his after a couple of glasses of wine, he sounds neither cute nor exhibitionist. This is what makes him the Sinowatz he is, the brother instilling confidence.

8790

CSO: 3103/67

POLITICAL

ANALYSIS OF RESULTS OF STEIERMARK ELECTION

Vienna ARBEITER-ZEITUNG in German 6 Oct 81 p 3

[Article by Herbert Lackner: "Steiermark: In the Strongholds of the People's Party the Socialist Party Registered the Highest Gains--Analysis: Overall Trend Toward the Socialist Party"]

[Text] As early as the morning after the dramatic election Sunday in the Steiermark the first results of the analysis became available: The Socialist Party of Austria had achieved gains in all types of communities, particularly in those which had been considered strongholds of the Austrian People's Party. The People's Party lost in both industrial and rural communities. The party suffered its main losses in the industrial communities where it holds a majority.

A comparison of the trends of the last elections of the National Council and the Steiermark Landtag elections which took place just recently provides researchers with some interesting aspects:

In both elections, the voters in equal proportions left the People's Party for the Socialist Party if one compares the same type of communities. In 1979 the Socialist Party also registered its strongest gains in the rural areas and in communities with a strong Socialist Party majority.

To the socialists the most pleasant aspect may be that even in the Steiermark where jobs are of particular importance, the workers view them as the most competent to secure their jobs:

--In industrial communities in general the Steiermark socialists gained 2.43 percent, equalling the overall gain to almost one hundredth of a percent. Here the People's Party lost 0.29 percent.

--In industrial communities with a strong socialist majority the socialist gain was 1.81 percent, while the People's Party lost 0.86 percent.

--In industrial communites with a People's Party majority (amounting to 13,000 votes) the Socialist Party gained the most: 4.38 percent. Here the People's Party took its heaviest losses, i.e., 2.85 percent.

Rural Areas: Again a Strong Trend Toward the Socalist Party.

In the last elections for the National Council the Socalist Party achieved its strongest gains with 1.8 percent. In the elections to the Steiermark Landtag this trend was intensified as follows:

--Overall the Socialist Party gained 3.1 percent in rural areas, while the People's Party lost 2.5 percent.

-- The Socialist Party's gain in the 57 rural Steiermark communities with a Socialist majority was 2.95 percent, while the People's Party loss was 2.52 percent.

--In the rural communities with a People's Party dominance, however, the Socialist Party gained 3.16 percent, while the People's Party lost 2.52 percent.

This shows that a trend continues in the Steiermark which will cause more and more concern for the People's Party, i.e., while the socialists are capable of retaining their traditional voters, the number of People's Party core supporters, which include the farmers without any doubt, is dwindling. The reasons are manifold: On the one hand, many farmers who no longer operate their farms full-time, are confronted with socialist ideology for the first time as they join workers in the plants, and then change their voting patterns. On the other hand, even farmers who live off their farms are more and more inclined to vote socialist: The ancient argument of the People's Party that the socialists would take their very last cow out of the barn has totally lost its appeal after 11 years of socialist government.

Free Party Votes Avoided Even Heavier People's Party Losses.

It appears to be a fact that the heavy losses of the Free Party have saved the People's Party from suffering even heavier losses. Even though a Free Party mandate went to the socialists, the flow of votes was different. The rightist Steiermark Free Party lost mainly to Krainer. However, an even larger portion voted socialist instead of People's Party. The Free Party's losses are particularly painful to the mayor of Graz, Goetz; in the Land capital the losses are above-average.

Incidentally, the People's Party saved their 30th mandate by a small margin only. Following a count of the voting cards on Monday it became evident that this mandate of the People's Party is secured by 577 votes only.

9544

CSO: 3103/44

FUTURE OF COALITION WITHOUT SCHMIDT VIEWED

Bonn RHEINISCHER MERKUR/CHRIST UND WELT in German 23 Oct 81 p 8

/Article by Walter Bajohr: "Who Will Succeed Helmut Schmidt?--The SPD Is Beginning Search for a Successor to the Damaged Chancellor"/

/Text/ While many Social Democrats are only now beginning to appreciate Helmut Schmidt, the FDP will have to make up its mind whether it would accept another chancellor in the coalition.

One leaderless week has produced a lasting shift in the mood in Bonn. The tense atmosphere prevailing in the coalition parties since the Bundestag election reached a new pitch consequent upon the sudden absence of Federal Chancellor Helmut Schmidt. The internal pressure in the social-liberal alliance has begun to move, although it is not yet certain whether the change is in upward or downward direction. That will depend on the conclusions drawn by SPD and FDP from the chancellor's illness.

Of course Helmut Schmidt has often been absent before, whether disappearing for weeks on end on summer vacations, whether undertaking a lengthy official journey, or whether merely nursing a cold. None of these absences caused much excitement in Bonn. Even though the political waves may have surged very high, as in last summer's conflict about the federal budget: For many of the disputants the mere fact that the chancellor would sooner or later return and remedy the situation represented a kind of reinsurance; in fact it was in the knowledge of this reinsurance that the partners could afford to quarrel.

All this changed last week. Suddenly people are compelled to realize that Helmut Schmidt may be gone at any time, and for good. Only now many people have begun to appreciate how much depends on this one man with respect to the coalition and, even more, the SPD. It is quite irrelevant whether the chancellor is "perfectly healthy" as the Federal Press Office asserts officially, or whether the implanted pacemaker is evidence of serious damage. However great objectively (from a medical standpoint) the endurance of a person who carries a battery-driven pacemaker in his chest, it is a highly subjective matter what the person concerned feels he can do. Helmut Schmidt who never spared himself in his capacity as head of government, will never be quite the same again.

Insofar we will do well to forget the bold face government spokesman Becker put on things in order to fudge the seriousness of the situation. Such maneuvers are part and parcel of the traditional repertoire of anyone charged with publicizing the government's ability to function. The fact remains that the coordinates of the SPD/FDP coalition must be determined anew. After all, in Bonn it is taken for granted that Helmut Schmidt will give up before 1984 the onerous job of heading a coalition which is drifting apart.

This development is highly inconvenient for FDP chief and supreme tactician Genscher. The liberals missed the opportunity to switch last summer. In the general battle for the budget a shift of coalitions would have been plausible as far as the public was concerned. Genscher and Lambsdorff, though, were not certain whether their party would follow them as a man. The Free Democratic camp therefore opted to up hold the social-liberal flag--together with Schmidt as the only reliable guarantor of the alliance, even in the face of social-democratic storms.

Now, unfortunately, the FDP chief's tactical game has been upset by Helmut Schmidt himself. Especially two imponderables must lead the FDP comprehensively to rethink the situation. For one it is not known how the SPD will react to the chancellor's state of health. Will Schmidt's critics display some self-imposed moderation so that they should not wrong a sick man--although they may earlier have planned a regicide. Or will the disabled chancellor encourage their will to fight and conquer even more? For the other the FDP will have to quickly make up its mind how to behave if Helmut Schmidt should retire next year. If the chancellor were to resign voluntarily, this -- in SPD chief Willy Brandt's opinion -- could happen only in 1982. Brandt reckons that this is the latest possible point in time for making palatable to the voters the new man at the head of the government before the 1984 Bundestag election. Until Schmidt was taken to the army hospital in Koblenz, the SPD leadership was by no means sure whether the chancellor would last until 1984 or even go on beyond that date. Only if he had been willing to offer himself against at the next Bundestag election would the question of a successor have failed to assume serious proportions.

That uncertainty is now gone: Helmut Schmidt does not intend to keep going beyond 1984; de facto this means that the new man must be presented next year and—should the coalition last—rooted in the consciousness of the voters as the worthy heir to the "iron chancellor" by the time the Bundestag election comes around. Admittedly nowadays even SPD headquarters consider it rather unlikely that they will be able to win the 1984 election—with or without Schmidt. However, they are already preparing for 1988. This issue presents immense difficulties to the SPD strategists because to the outside also they must document their preparedness by finding a successor to Helmut Schmidt. As the party is in disarray, the search for a candidate promises to become something of a torturous exploit. Moreover it remains to be seen whether the FDP will accept the new man.

Since the 1980 election congress in Freiburg the liberal leaders have tied the official intention to continue the social-liberal coalition in Bonn to the unofficially admitted condition that this would apply only with Helmut Schmidt in the chancellery. Due to the fact that last year already the Social Democrats presented anything but a united front, the FDP thereby kept the backdoor open in order not to be nailed to the coalition with the SPD in case the chancellorship were to change hands. Now the liberals must consider whether they would want to continue even without Schmidt.

The Free Democrats hesitancy is also reflected in the fact that the senior leadership advised the party to be sure not to get involved in the inevitable SPD discussions about Schmidt's successor. Genscher himself exercised great restraint when he learned of the chancellor's admission to hospital. Although he would have been entitled to take charge of last Wednesday's cabinet meeting, he contented himself with moderating the session and, on several occasions, emphasized that nothing could be decided in budget matters without the chancellor's presence.

Nor did he intervene when SPD ministers Apel and Haak on the one hand and Schmude on the other clashed on the appraisal of the Bonn peace demonstration. Though Genscher agreed with Apel that the purpose of the demonstration ran counter to Federal Government policy, in the absence of the federal chancellor he avoided openly baiting Schmude who maintains excellent relations with the parliamentary left of the SPD fraction. It appeared as if, without Schmidt, Genscher was reduced to half strength.

It will be all the harder to find a candidate in the SPD acceptable to Genscher. In any case the SPD leadership will be hard put to it to find anyone. Of course the question of succession has frequently come to the fore at other times, but usually it amounted to no more than playing with names and offices. Hans Apel once looked promising; he saw his hopes collapsing as the result of the various disasters in his ministry, for which the Tornado affair stands as the prime example. Furthermore his vehement championship of the NATO modernization program has earned him unpopularity among the SPD left who accuse him of being a cold warrior.

In his days as minister of justice in Bonn, Hans Jochen Vogel seemed to have inherited his luckless colleague Apel's status as crown prince. After his unsuccessful foray in Berlin (imposed on him rather against his will), he lost a good deal of ground. In any case the Free Democrats have major reservations about the Berlin opposition leader who, in the course of the past 3 years, has changed from a defender on the right to--at least--outside left-half.

Moreover, the right in the SPD is displeased with Jochen Vogel's obsession with squatters and alternatives /collective term for single interest splinter parties—translator's note/. On the other hand that certainly does not bother party chief Willy Brandt who desires more support for his integrationist policy than he is able to get from Helmut Schmidt. As it is the SPD chairman would prefer a candidate who is still malleable—of course to his ways. In his opinion, though, such a man must be able to get along successfully with Erha I Eppler's followers without antagonizing the old Social Democrats.

At the present time Eppler's status in the SPD is on the rise again. Since he embarked on the risky flirtation with the Bonn peace demonstration, and the peacefulness of the event confirmed his forecasts, not even Helmut Schmidt is able any longer to simply disregard the unloved opponent. If the Bonn demonstration, at which Eppler was the main speaker, had degenerated into violence, the Svabian's fate in the SPD would have been finally sealed. As it is Eppler has again become someone to be reckoned with.

Even Bonn SPD circles think he might yet have a future in the party. Should he succeed in leading the peace movement within the SPD, quite a few comrades believe he

might qualify for the highest party accolade by the end of this decade, especially because Brandt also is looking for a successor in the medium term, who must be able to satisfy left emotional needs. It has not quite come to that yet but--according to Brandt--the preparations now made for Schmidt's succession can no longer leave Eppler out of the reckoning. Among the party chief's intimates it is said that Eppler's SPD may well be the SPD of the future.

If it were up to the Free Democrals, Finance Minister Hans Matthoefer's chances would be best. He under exact the opposite change to Jochen Vogel. Formerly an outspoken leftist in the SPD, he found himself in "full agreement" (Lambsdorff) with the FDP economics minister at last summer's budget cutting sessions. On the other hand this intimacy with Lambsdorff, considered the bogeyman by many comrades, served largely to discredit him in the SPD. Nor do the liberals really know whether the remarkable change in Hans Matthoefer is to be taken at face value. Nevertheless they might be disposed to go along with him—and that will ultimately decide whether or not the coalition can outlast Schmidt.

Still, Matthoefer himself may not be willing to move into the chancellery. To begin with he too is afraid of the prospect of badly losing in 1984. And secondly his present ministerial job has strained his health also: Matthoefer has been suffering from cardiac irregularity.

It seems the only possibility is that of finding a compromise candidate. Only one name is put forward here: Johannes Rau, minister president of North Rhine-Westphalia. The Duesseldorf government chief is certainly popular while politically uncommitted. He exudes something of that warmth which is Willy Brandt's hallmark, and he is therefore believed able to reconcile the warring factions. But is that enough to steer the ship of state in times of crisis? Nobody claims that he has produced outstanding results in North Rhine-Westphalia. On the contrary, the budgetary difficulties in that Land are worse than in any other. Yet the SPD considers such failures to be minor sins. The supreme consecration would wiple them out. It is not known whether the FPD could make friends with a Federal Chancellor Rau. Up to now has was not even mentioned in the liberal game plans. However, Rau can claim that Helmut Schmidt likes him, let alone Brandt and Wehner.

Whoever will emerge from the magician's hat, one point is perfectly clear: None of them has the status of a statesman. Nor does there seem to be anybody in the SPD who might meet this minimum prerequisite for the office of federal chancellor. The only exception is Willy Brandt, but he is not interested. There could hardly be a more flagrant demonstration of the fact that the party has come to the end of its resources insofar as it is unable to find an attractive alternative to Helmut Schmidt. The chancellor's ill health has thrown a glaring light on this circumstance. Maybe the Social Democrats will at last come to understand that which the FDP has long appreciated: Helmut Schmidt is irreplaceable.

11698

CSO: 3103/89

POLITICAL

EPPLER PREDICTS SPD MAJORITY FOR PEACE MOVEMENT

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 12 Oct 81 p 3

[Article by Hans-Joachim Noack: "The New Role of Social Democrat Erhard Eppler; the SPD Presidium Member Wants to Pressure his Party with the Bonn Battalions of Peace"]

[Text] Petra Kelly, the boss of the "green people" would like to proclaim him chancellor. Down with Schmidt...We want Erhard Eppler, "our party friend" (!)—and of course the masses like it. Their approval is loud, as if this were the slogan of the day. Only the person concerned violently shakes his head, but he is evidently amused.

An inserted comment that he does not take particularly seriously, but that is nevertheless more than a joke. No matter how heterogeneous the peace movement is, it needs this man to lead it. It has found by acclamation the one whom it would like to follow.

Erhard Eppler feels solemn in the Hofgarten in Bonn in front of more than 250,000 people. Whereas he has always been in a minority in his own party, here he has a majority. "Start over" and "Encore" ring out as he steps back from the microphones. The people loudly ask him at least to show himself once more, and he rises from his folding chair, spreading the fingers of his left hand.

When he stands up briefly, his manner is not that of a party leader, but his satisfaction is obvious. This member of the SPD party presidium knew before 10 October that provided the demonstration was peaceful, "the following day the political landscape will be transformed"—and now he sees his assumption confirmed. "From the 11th it will be clear that nothing is possible without this movement."

Nothing is working, he states in reference to Bonn and to the coalition which he still intends to support. One may regard this as a declaration of war, but Eppler argues about the "substantive points": it cannot be a law of nature that the East and the West, in the same manner, proclaim their own arming to be inevitable catching up, whereas the arming of the other side is called a megalomaniac effort to increase further a tremendous advantage. "We wish to break this pattern wherever we can—here in Western Europe, in Germany."

In his view "the people whom we are addressing" are in Bonn, since "we voted for this government." His conclusion: if the federal chancellor believes that the peace movement wants to exert pressure on him, "he is right." After all, the coalition has a democratic mandate and that is not a blank check.

A collision course? Eppler answers that his goal is the opposite. He wishes to strengthen the government (which is, after all, "his") but not at the expense of Bonn considering everything "left of center" onerous more than anything else. It has become evident that the Baden-Wuerttemberg opponent of Schmidt is not an SPD outsider who has set out to put spokes in the wheels of the governing coalition, but he believes himself firmly anchored in a wide, steadily spreading current.

In Bonn there is a tremendous demand for Eppler. He does not doubt that "virtually every sixth social democrat" was to be found at the rally. This huge number of people voted with their feet, which cannot fail to have an effect on the SPD and, as he would like to assume, on the chancellor if the latter desires to continue shaping policy.

But is the necessary rapprochement between Schmidt and his opponent conceivable? On the eve of the Bonn rally, the chancellor reaffirmed in a letter of complaint to party chairman Willy Brandt that the "total phenomenon of Eppler" makes him afraid of something terrible happening. "This is a one-sided emotional campaign at the expense of our allies."

In the same letter the chancellor expressed his concern that, due to this same emotional climate, an attempt by groups of participants to storm the Hardthoehe could not be ruled out. This reveals the obvious difference in the way the two politicians assess the situation. What Eppler thinks of as battalions of peace—except, of course, for apostles of chaos—seems suspicious to Schmidt, who can hardly be expected to give up his distrust.

As far as the chancellor's fears are concerned, Eppler's position has improved since Saturday—but is that sufficient to encourage the coalition to cooperate? Or, the other way around, can Eppler imagine that "something might still be possible" with Schmidt if the latter would only be more accommodating? The evidence appears to say that the two will not come together.

That, however, does not seem to preoccupy the former foreign aid minister any more. He does not lose "a moment of sleep" over it, and of late he has looked more relaxed than ever. Eppler appears comfortable in his role. He has accepted it, he has taken the offensive, and he does not intend to disguise his positions for tactical reasons. Even Willy Brandt has not been able to persuade him to talk of "a" peace movement, for the Stuttgarter does not share his party leader's worry that the "strong peace group" within the SPD could be thus undermined. Eppler thinks of it as "the movement"; everything else seems too complicated for him.

He emphatically rejects the conclusion that he plans to leave the SPD. A new party under his leadership? "No way." He can theoretically conceive of a situation in which "this is imposed" on him, but he does not wish it. At the main station in Bonn, he angrily tells a persistent reporter that he is not leaving "because I don't want to."

Why should he if he is correct in his assumption that his support among the rank and file of the party is broadening and could soon bestow a majority upon him? "Just wait..." At least he is "optimistic" about his chances of achieving this goal as early as the first half of the 80's.

There is no disputing the fact that Eppler, who is being acclaimed by the thousands and thousands in Bonn as never before, is counting upon a profound transformation which he has helped to bring about in his party and which he calls a "new beginning." "Just wait..." Some day the socialists would be happy that there were people at the right time who attempted to form "points of crystallization."

He is very sure of his cause, and that determines his style. Without attempting to ingratiate himself with anyone, he also seeks a dialogue with those with whom large portions of the SPD are having tremendous difficulty in communicating because of their fears of closer contact. His credo is: Everybody is a member of the peace movement that wishes to belong to it as long as he "makes this obvious in his daily actions."

An extremely assertive maxim that rejects any administrative principle of selection and that brands all traditional incompatibility as petty and narrowminded.

He is asked whether the party can live with what he said. Erhard Eppler is astonished: He does not think that in the Hofgarten in Bonn he expressed any ideas that could have shocked the SPD.

9873

CSO: 3103/60

POLITICAL

NEED FOR NEUTRON BOMB, U.S. ALLIANCE, EUROPEAN DYNAMISM

Paris LE MATIN in French 26 Oct 81 p 13

[Article by Bernard Lambert: "The Reprieve"]

[Text] An assembly for disarmament was held yesterday, under the aegis of the Communist Party, at the Pantin Gate in Paris. The demonstration followed a series of identical mobilizations in several cities of Europe, including Bonn two weeks ago. It was directed as much against the United States as against the arms race; it was also an opportunity for the PCF to stand aloof, on this subject, from the Socialist government.

All of those who are demonstrating for peace in Western Europe are deluded, their good faith being exploited. They are participating in a movement that is purely and simply suicidal.

Today war is haunting all minds. One may wish with all one's strength to reject it and gather together to demand peace. This is instinctive naivete. For war and peace, with the emergence of nuclear force, are no longer paired. That war which sentiment and reason conceive to be due to the old lack of experience no longer concerns Europe. Its traditional form now has a field of application only in civil war (and there is no danger at home) and resistance. But in the latter case it will be too late, assuming there is anyone left to resist.

Everyone knows that the general condition of the planet is catastrophic. However, this is not the time for Cassandras and other Nostradamuses. We must know and understand what can and must be done.

The atomic weapon--it goes without saying, but goes even better with saying--has radically redealt the cards, abolishing in man his warlike virtue. Let those who are nostalgic about a "good war" make no mistake! The stake is to destroy without being destroyed. Any chess-player will understand that the only way is to throw the opponent off balance. And there is no point in deluding ourselves, only two players exist in the world: the USSR and the United States.

Now, in the arms race the Soviet Union has taken a clear advantage. Its SS-20's are making of every European country a trembling and impotent Damocles. And instead of challenging that which threatens it, here is Europe demonstrating against that which alone could defend it.

It has to be said: the European left is that myopic Little Red Ridinghood who can never recognize her own grandmother. Ten years of reflection have not exhausted the Manichean reflex. America is still the theoretical evil, and illusion makes it practical. Illusion, or rather manipulation.

For not to want American Euromissiles is to applaud the Soviet SS-20's. At the end of "The Reprieve" Sartre tells of the crowd that came to acclaim Daladier on his return from Munich with cries of "Long live peace." And Daladier salutes them, while murmuring through his teeth, "the damn fools." I hear the same words behind Georges Marchais' smile before the Pantin crowd.

Because it must be known and it must be said: installing the SS-20's constitutes aggression; that alone is what threatens Europe at this moment. Giscard bears a criminal responsibility: his laisser-faire policy leads to today's escalation. But one question must be asked of the pacifists: why did you wait so long? Why did you not see the danger? Do you have to wait for the KGB signal in Germany?

There is still time to save ourselves. Europe's hope can become the hope of the world. Mitterrand's foreign policy is opening the way. It must find the means. First, within its party, which is the only one capable of explaining clearly. Socialist humanism can neither talk a lot of hot air nor shut its eyes: lyrical illusion always ends up by being strangled by a fascism—and not only a Franco kind of fascism. The tactical alliance with the Americans is the only realistic solution. The neutron bomb must be built. It is obviously the only weapon currently available which makes possible on one hand the effective protection of civilians up to the point when they are victims of a skyful of concrete falling on their heads, and on the other hand makes it possible to threaten the military system as the young soldier, in constant danger of death in the shelter of his armored vehicle, may rightfully wonder about his status. To reject this is to want to be irresponsible.

The support for the Socialist Party will obviously not suffer. We know that this tactical alliance with America--whatever the Reagan who is directing it may be--is hazardous. Strategy wants, and survival demands that Europe be able to depend on itself militarily. It has the means to do so. May the shiver of fear that is running through Europe at last unleash its determination. For the first time in its history there is no conflict going on there, nor can one be envisaged. So let it stop living on the castrating memory of outdated rivalries and let it see itself as it is: dangerously Balkanized. United and strong, that is to say armed and therefore deterrent, it will be able to make its voice heard in the world without there being any need to impose it on the world. Socialist France must conduct this project, aware that the goal is to arm all men, this time morally.

The pacifists themselves are defenseless. They are an obstacle in the path of European dynamism. Let them understand, more quickly than their counterparts of the 1930's, that, faced with overarmament on the part of unscrupulous blocs, they are burying their heads in the sand and accelerating the war while offering themselves as its first victims.

8946

CSO: 3100/114

POLITICAL FRANCE

PEACE MOVEMENT ISSUES PARIS APPEAL; CONTINUES EFFORT

Paris L'HUMANITE in French 29 Oct 81 p 3

[Text] The Peace Movement is launching an appeal to all those who contributed to the 25 October success and all the participants in the assembly at the Pantin Gate to join in the national "Paris Appeal" campaign.

"The Peace Movement is pleased with the success of the national assembly for disarmament that took place on Sunday 25 October, with the support of about 40 national organizations. More than 100,000 persons were at the Pantin Gate; some 25,000 young people took part in the peace march through Paris. Many residents of Houilles, Sarcelles, Palaiseau, Aubervilliers, Malakoff, Ivry joined the thousands of participants from the provinces in the morning.

"The national congress of the Peace Movement had decided in November 1980 to organize this national assembly on the occasion of the UN's disarmament week.

"The Paris assembly was one of the largest disarmament demonstrations ever to take place in France. It fits into the large popular movement that is emerging in Europe, in Bonn, Rome, Brussels, Paris and next in Amsterdam.

"With the Peace Movement, the very large number of participants proclaimed, "We must stop the escalation of nuclear weapons, reduce armaments in the West as well as in the East. Equilibrium and security for all, to negotiate swiftly toward positive results on medium-range nuclear missiles; concerning Europe: Pershing, Cruise and SS-20.

"Starting now, a great national campaign is being launched for the Paris Appeal, having begun at the Pantin rally. Thousands of Frenchmen and Frenchwomen were called upon to declare themselves, looking ahead to the second extraordinary UN General Assembly for Disarmament in June 1982.

"As it has done since the beginning of preparations for the Pantin Gate rally, the Peace Movement is again going to address all political organizations, pacifist trade unions, ecologist unions, to all movements of women, youths, to all those concerned with stopping the arms race, artists, teachers, scientists, to develop a powerful unitary disarmament movement.

"It is calling upon all who participated in the rally, as well as all who contributed to its success to support the Paris Appeal by having it signed and approved in various forms by the population, to join existing peace committees and create Dead ones."

8946

CSO: 3100/114

POLITICAL NETHERLANDS

CONFERENCE ON FUTURE OF NETHERLANDS ANTILLES

Commission To Study Independence

Rotterdam NRC HANDELSBLAD in Dutch 28 Oct 81 p 3

/Text/ The Netherlands refused to extend guarantees on cooperation to Aruba if the island decides unilaterally to declare itself independent. During the summit conference on the future of the Antilles it was decided that the Netherlands will only enter into a special relationship with Aruba if after independence it continues to cooperate with the other islands on a "solid and lasting basis."

Agreement was reached to establish a committee which will report within 6 months on all consequences Aruban independence might entail. At Aruba's request the conclusions reflect that the report will also give proper attention to a plan on realization of Aruba's independence.

During the summit discussions the Netherlands also brought up independence for Curacao (which is much less in a hurry than Aruba). After tedious and time consuming discussions it was agreed that the committee will also investigate the final situation of the other islands and, in particular Curacao, after Aruba's independence.

Even the Curacao delegation admitted last night that the Netherlands can now play a much more active role in convincing Curacao to declare itself independent from the Netherlands in the near future. It was noted that the Netherlands succeeded in imposing a number of stringent conditions on Aruba as well as Curacao regarding their independence.

The special committee which will be established as soon as possible will consist of seven members, three from the Netherlands and four from the Antilles. Mentioned as Dutch members are ex-premier Biesheuvel who used to be chairman of the Study Committee of the Realm and P.J.G. Kaptein, member of the Council of State.

As soon as possible after completion of the committee's report, a round-table conference will have to decide on the relationship between Aruba, the other islands, and the Netherlands. Curacao was further forced to promise to speed up the transfer of government tasks to islands as Aruba which have a minority position.

Not Dissatisfied

Neither Antillian Prime Minister Martina, nor Aruban leafer Beticoe Croes appear to be dissatisfied about the results. Martina declared that the Antillian government

now has the clarity it asked for. Croes said that he was first going to wait for the committee's results, but he showed how happy he was that the signal for independence has now been received. Croes could not give a date for independence. That date must be decided in 6 months, but since the previously mentioned year 1991 is no longer valid, that term should be shortened considerably.

Den Uyl, Minister for Antillian Affairs, stressed that the Netherlands can only maintain a special relationship with Aruba if, after its independence, that island is prepared to cooperate with the other islands on a solid and lasting basis.

Splitting up the Antilles would, according to Den Uyl, make things especially difficult for the Netherlands to enter into a political and financial-economic relationship with the islands. He remarked that the committee should also find out what countries like France, the United States, and in particular Venezuela are thinking about Aruban independence.

Editorial on Risks

Rotterdam NRC HANDELSBLAD in Dutch 29 Oct 81 p 7

/Text/ Risky Adventure

Last Monday at the beginning of the summit conference on the political future of the Dutch Antilles, expectations were modest. Nevertheless, there were some good results. A special committee will explore all the consequences of Aruban independence, but will also take a look at Curacao's future. This last mentioned point especially met with some difficulties since Curacao demands clarity about the position of troublesome Aruba but prefers to surround its own future by a haze.

The committee's task is not a simple one. It is clear already that its conclusions will be more like a cold shower dampening Aruban euphoria with approaching independence that highly appreciated expert advice on the transfer of independence.

At the beginning of the year during the last Round Table Conference it was officially decided that each of the Antillian islands is entitled to decide its own destiny, nobody can, therefore, deny Aruba the right to sever its political ties. And nobody did so this week. The most important wish of the Aruban leader Betico Croes is to obtain Dutch guarantees that after unilateral independence the Netherlands will continue to take care of defense, judicial appeal, and foreign representation for Aruba; this wish was not fulfilled, and rightly so.

On the contrary, Den Uyl straightforwardly told Aruba that it can only claim assistance from the Netherlands if it remains, in one form or another, a part of the Antillian political structure.

Without guarantees, especially in the area of defense, Aruba faces a hazardous future as a miniature nation. To avoid complete defenselessness against every invader, international agreements on Aruba's territorial integrity will have to be reached. In the next few months Minister Van der Stoel will check this out with a few relevant nations.

However, even if he succeeds in obtaining some form of guarantee from, for instance, the United States and Venezuela, Aruba will still face great dangers. What will Venezuela's attitude be if riots break out on Aruba? Will it dispatch troops and, most importantly, will these troops leave in the course of time? It would be difficult to answer this question in view of oil interests and the dominant position of this big neighbor.

45

In the next few months Aruba must, therefore, carefully weigh the advantages and disadvantages of unilateral independence. The risks and problems, not in the least those connected with social economics and government, appear to overshadow Aruba's understandable reluctance to remain a part of an independent federation of six islands.

10319

CSO: 3105/27

POLITICAL NETHERLANDS

CP PAPER REACTS TO USSR CRITICISM OF REPORTING ON POLAND

Amsterdam DE WAARHEID in Dutch 8 Oct 81 p 1

[Editorial]

[Text] The Soviet weekly NEW TIMES [NOVOYE VREMYA] is of the opinion that the manner in which the Dutch communist daily DE WAARHEID reports on events in Poland "is objectively at odds with the struggle the Polish Communist Party is waging against the enemies of socialism." So the official Soviet press agency TASS reported Tuesday.

NEW TIMES finds it "strange" that the Dutch paper fully backs the free Polish labor union Solidarity and does not pay enough attention to the viewpoints of the Polish authorities. The paper has even reacted with bitterness and disapproval to a statement by the Polish political bureau about the first round of the Solidarity congress, so NEW TIMES writes.

According to NEW TIMES, journalists from DE WAARHEID regard press reports from the East Bloc countries about the developments in Poland, along with messages from the workers in those countries to be "impermissible attacks." Thus, NEW TIMES concludes, DE WAARHEID does regard support for the actions of Solidarity, which is trying to seize power, to be justified.

The foregoing is a report which is currently being distributed by ANP [General Netherlands Press Agency]. Inquiry as to the literal text placed with TASS wire service correspondent Pivovarov was not productive, so that the text of the article is not available. Thus we are required to depend on the report in the bourgeois press, as indeed is more necessary with news from the Soviet Union which is not available in other ways.

If the text were available after all, we would certainly have found room for it today in our section for outside opinions, "The Way I See It," in which differing opinions, criticisms and points of view are given their space.

Of itself, we regard a dialogue on all of the issues of current interest to be very useful, especially if that is carried out in public--a standpoint we have always supported, and most especially in the past, when international feeling for that was still lacking. A debate between Dutch and Soviet journalists is also useful.

The question remains whether the paper NEW TIMES is the most suitable platform for a discussion. NEW TIMES has come more and more to involve itself in discussions in other communist parties, for example, in the Spanish, Italian and French Communist Parties, and in those cases it has done so in a very tendentious manner. This is a generally known fact in the international communist movement.

Stating that the reporting in DE WAARHEID plays into the hands of the enemies of socialism and is at odds with the Polish party is clearly rather an imputation than a form of debate. That kind and style of polemics on the part of that paper, however, is generally recognized, just as is the preference there present for the most extreme simplification of problems and for caricature-like dogmatisms.

We feel it to be of great importance that our editor Andre Reloefs is providing direct reporting from Poland itself, and that Jan De Boo, CPN [Communist Party of the Netherlands], Central Committee member, was able to carry out very openhearted and fruitful discussions with directors of the Polish United Workers Party.

6940

CSO: 3105/19

POLITICAL NORWAY

WILLOCH SAYS READY TO FORM MINORITY GOVERNMENT

Oslo AFTENPOSTEN in Norwegian 21 Sep 81 p 3

/Text/ "We cannot change the political reality that the Conservative Party alone cannot obtain a majority for the party's own proposals," Kare Willoch, the coming prime minister, emphasized to AFTENPOSTEN. He said that if the party comes into a situation where one must admit that the majority in the Storting does not want to go along in the direction to which the Conservative Party is pledged, then a Conservative government cannot continue. But Willoch hopes that the majority in the new Storting will not adopt an attitude that will cause such problems.

Kare Willoch hopes to put through most of the Conservative policy, basing efforts on the clear message of the election. And he thinks that it is important for the Conservatives not to move too many of the most experienced members of the Storting Group over to the administration, because it will be necessary to have them in the Storting—the fate of the government will depend upon a majority in the Storting for the policies the Conservatives want to push through.

After the governmental deliberations of the weekend, among other things after the long conversation with Storting President Svenn Stray on Saturday, Kare Willoch is today ready to form his cabinet list. He feels it is very important to keep it a secret until the king has been informed about which ministers will be named.

AFTENPOSTEN: "When will his majesty the king learn about the cabinet list?"

Willoch: "It is quite clear that in this area if his majesty should want a conversation for orientation on these questions, it is my duty to be at his disposal at any time, no matter what state the preparations have reached." Willoch thinks that it will not be necessary to follow any standard form as far as procedure is concerned.

AFTENPOSTEN: "How many days will it be before the cabinet list is ready?"

Willoch: "I cannot say yet. The most important thing is to get the best possible cabinet, and one cannot allow oneself to come into the situation where the question of hours or days could interfere with this." Willoch definitely denies that the formation of the government is a "one-man job." In the days to come he will consult with leading persons both in the Storting Group and in the party--and finally the whole picture will be approved by the Conservative group in the Storting before the cabinet list can be made public. "I have no illusions about being able to prevent speculations in newspapers. There have already been many of them, you know, some of them quite imaginative. Perhaps this is not so bad, because people can see that as a rule they are not based on inside information."

AFTENPOSTEN: "Will one of the guidelines be that there will only be members of the Conservative Party in the government?"

Willoch: "Up to now I have chosen not to answer any question that can lead to advance identification of, or elimination of, special candidates. I will be content with saying that there is obviously the consideration that one wishes to lead the country in the interest of all and to fulfill the Conservative Party's responsibilities to its voters."

AFTENPOSTEN: "To what dangers do you see a minority government such as the Conservative one exposed?"

Willoch: "I see various dangers, but they must be overcome. One danger is that there can be too large an increase in public expenditures resulting from the new majority supporting proposals for increases in so many places in the budget that together they will be too much. This will also raise a political problem. In each individual case it can look as if it is a matter of modest and necessary increases, and it may be difficult to get a majority against it. But when one adds everything up, the total can be a lot more than is proper in the fight against inflation."

AFTENPOSTEN: "How hard will the Conservatives fight against this, possibly risking a defeat of the government in a vote in the Storting?"

Willoch: "It would not be right to begin to talk about delicate cabinet questions even before the government has been formed. As a minority government, we will be forced to seek cooperation rather than confrontation. But all parties will certainly agree that a government in such a situation is duty-bound to work hard to see that the economic policy does not become the opposite of what the government has the political responsibility to work for."

AFTENPOSTEN: "Can the Conservative government count on putting through the Conservative Party's tax program even though it can almost be sure that it will have other parties opposing it in the storting?"

Willoch: "We will work to fulfill the promises we have made in the election campaign. We cannot change the political reality that the Conservative Party alone cannot create a majority for its proposals. And if other parties should go against us, our task will be to put through as many items as possible from our platform. The decisive consideration will have to be whether our policies prosper with us in the governing position. If we come into a situation where we must admit that the majority in the Storting will not go along in the direction the Conservative Party is pledged to, then a Conservative government cannot continue. But I both hope and believe that a majority in the Storting, on the basis of the election's clear message, will not adopt an attitude that will create such problems in cooperation."

AFTENPOSTEN: "What is the maximum number of members of the Storting Group that can be brought over to the administration?"

Willoch: There are no set limits here, but in the parliamentary minority position the Conservative Party finds itself in, work in the Storting will be of decisive significance. The government's fate will depend upon one's being able to achieve the cooperation that will create the necessary majority for those policies that are to be put through. This means that not too many of the most experienced members should leave the Storting."

AFTENPOSTEN: "How much weight will be put on geographical and other considerations in the creation of the government?"

Willoch: "The most important thing is the qualifications of the members of the government. But with the access the Conservative Party has to well qualified people of both sexes from all areas of the country, it will be reasonable to put emphasis on a reasonable number of women and men."

AFTENPOSTEN: "How many women should there be?"

Willoch: "If I should answer this with a definite number, I would tie up the negotiations too much."

AFTENPOSTEN: "Many are perhaps curious about whether you will do as Gro Harlem Brundtland did and fly around in little jets and drive around with a blue light on the car roof?"

Willoch: "As for the 'blue light': The country's representatives must put special emphasis upon, and have respect for, the country's laws and rules. As for the use of charter planes, one must evaluate the costs in relation to the savings of time. In some cases, it can be cheaper, for example, if there is a group that just fills a plane—and perhaps especially if one calculates the working time saved in the group."

9124

CSO: 8139/0194-A

POLITICAL NORWAY

PER HYSING-DAHL BECOMES PRESIDENT OF STORTING

Oslo AFTENPOSTEN in Norwegian 25 Sep 81 p 3

/Text/ Per Hysing-Dahl will not become defense minister. AFTENPOSTEN's sources indicate that deliberations during the last few days have led to Hysing-Dahl becoming the new Storting president, while Jan P. Syse is a very strong candidate for the chairmanship of the Finance Committee. It is also news that the Conservative Party's second vice-chairman, Astrid Gjertsen, will play a part in the government if she herself wants to. Mrs Gjertsen will give her answer today. There is a certain dissatisfaction among Conservative representatives that Jo Benko has already been selected as the new parliamentary leader before the group meeting next week.

Yesterday, Kare Willoch came much closer in his work of putting ogether the final government list. In the meantime, there are still some posts that have not been filled, but there is every reason to believe that all the pieces will fall into place in good time for the Conservative group meeting on 1 October.

It now seems clear that the Department of Church and Education will be split in two, and with this, plans will be set into operation that have long been worked on in the Conservative Party. In the party, special attention has been paid to how it will be possible to put through the school-political policies the nonsocialist parties stand for. Today the department is considered too large and unmanageable, with too much power in the hands of "desk pedagogues," who have no political responsibility.

Informed sources in the Conservative Party point out that in discussions of a division of the Department of Church and Education there has been little talk of a division along already existing lines, or of a reorganization that will have to be made if the areas of responsibility are to be transferred from one department to another. It was further pointed out that a certain amount of division has already taken place, since there are two under-secretaries in the department.

In planning his cabinet, it is very important for Willoch to see that the Storting group does not lose too many experienced legislators. In this connection, it will probably be stressed that many a position in the Storting is just as essential as a secretarial post. Examples here are the positions of president, parliamentary leader and committee chairman.

In the Conservative Storting group there is great understanding for giving Kare Willoch a further free hand in connection with governmental planning. Just the same, the group is now expressing a certain dissatisfaction that Jo Benko has already been selected as the group chairman. It was pointed out to AFTENPOSTEN that it is not good in the beginning for one and the same person to have the position of chairman of the party and of group chairman. It was further said that the group itself would have preferred to elect its own chairman.

52

Willoch's governmental list now contains four women: Mona Rokke, Astrid Gjertsen, Inger Koppernaes and Wenche Frogn Sellaeg. It is already clear that Mona Rokke will be Norway's new minister of justice. Astrid Gjertsen can become the new minister of transportation and communications, while Wenche Frogn Sellaeg is a strong candidate for the post of minister of environmental protection. It can also not be ruled out that she can become the new social minister after the community council member for questions of health and society in Oslo, Martha Seim Valeur, has refused this position for personal reasons.

It is certain that Svenn Stray will be the new foreign minister and that Rolf Presthus will follow Ulf Sand as finance minister. Furthermore, Tore Austad and Lars Roar Langslet will divide the Department of Church and Education between them. Austad will have responsibility for school and church matters, while Langslet will take over higher education and culture. To begin with, Langslet has been named to the so-called Consulting Council in this department.

Yesterday it also became clear that Per Hysing-Dahl, who has been chairman of the Storting Defense Committee for the last 8 years, will not become the new defense minister. AFTENPOSTEN's sources indicate that Hysing-Dahl will become the Storting's new president—a position he will take over from Guttorm Hansen of the Labor Party. This indicates also that the chairman of Oslo's Conservative Party, Jan P. Syse, who only a few days ago was the most likely candidate for this presidency, will now probably take over the responsible position of chairman of the Storting's Finance Committee. It seems to be quite uncertain who will become the defense minister in Willoch's government, but among the names mentioned is Thor Knudsen, recently a member of the Storting's Defense Committee.

Vidkun Hveding will become the new minister of oil and energy, while all indications are that the new minister of industry will be Jens Halvard Bratz if he says yes over the weekend to Willoch's offer. It is assumed that the Conservative Party's Lappland representative, Thor Listau, will be the new minister of fisheries, while Johan C. Loken will become minister of agriculture. The stavanger lawyer Arne Rettedal will also join Willoch's government, probably as minister of municipal affairs. It is still uncertain who will take over the Department of Consumer Affairs and Administration, but a central name in the discussion is the bank official Halvor Stenstadvold.

9124

CSO: 8139/0194-A

POLITICAL NORWAY

ASTRID GJERTSEN NAMED MINISTER FOR CONSUMER AFFAIRS, ADMINISTRATION

Oslo AFTENPOSTEN in Norwegian 26 Sep 81 p 18

/Text/ Astrid Gjertsen will be the consumer affairs minister in the coming Willoch government. It is also clear that the former president of Norway's industrial union, Jens Halvard Bratz, will be Norway's next minister of industry. These two pieces in Kare Willoch's cabinet puzzle fell into place yesterday. The new prime minister will present his cabinet list to the new Conservative Storting group next Thursday.

At first, Astrid Gjertsen refused to be a part of the new government, but when she was approached a second time, she accepted after a period of consideration. According to AFTENPOSTEN's sources, Mrs Gjertsen could have become social minister if she had wanted to, but she chose the Department of Consumer Affairs instead. This department's most important area of work is in prices and wages, kindergarten expansion and in questions of equality. In the last 4 years, Astrid Gjertsen has been a member of the Storting's Committee of Transportation and Communication. Mrs Gjertsen is now also the second vice-president of the Conservative Party. It is also clear that the administrative director of the Grorud Hardware Factory, Ltd., in Oslo, Jens Halvard Bratz, will become the minister of industry in Kare Willoch's new government. Bratz has much experience in working with industrial questions. Among other things, he has previously served as president of Norway's industrial union.

It is clear that the president of the Storting in the last session, Svenn Stray, will be the new foreign minister. Also, Rolf Presthus, who has been vice-chairman for the last 4 years in the Storting's finance committee, will be the new minister of finance. The chairman of the Conservative Women, Storting representative Mona Rokke, will be the new Minister of Justice. Lars Roar Langslet, for many years the chairman of the Storting's Committee for Church and Education, will become minister of culture, since it also seems to be clear that Willoch wishes a division of areas of responsibility in the Department of Church and Education. It also seems clear that the former director of the Norwegian Electric Power Network, Vidkunn Hveding, will take over Arvid Johanson's place in the Department of Oil and Energy after the changeover in government.

The new prime minister, Kare Willoch, will present his complete government list next Thursday to the Conservative Group in the Storting for formal approval. Therefore, it is expected that Willoch's government will finally be established over the weekend.

There is now a great deal of interest about who will become Willoch's minister of defense and who will be the new social minister. The strongest candidate for defense minister, Per Hysing-Dahl, who has been the chairman of the Storting's Defense Committee for the last 8 years, will be the new President of the Storting, following Guttorm Hansen.

According to AFTENPOSTEN's information, the intention all along during the cabinet deliberations has been that the Social Department should be led by a female minister. Astrid Gjertsen, who could have selected this department, chose another instead, and the question is now whether Willoch will find another woman to occupy this position, or whether Professor Leif Arne Heloe, who is considered a strong candidate by many, will receive this ministerial post.

9124

CSO: 8139/0194-A

DANELL NAMED MODERATES' PARTY SECRETARY

Stockholm SVENSKA DAGBLADET in Swedish 16 Oct 81 p 6

 $\sqrt{\text{Interview}}$ with Georg Danell by Bo Ostlund: "Moderate Party Secretary: Danell Chosen"

Text Georg Danell, minister of planning in the second Falldin government, will become the new party secretary of the Moderate Coalition Party. This was decided on Thursday by the Moderate party leadership.

Georg Danell -- always the youngest. The youngest to be a minister, and now he will also become the youngest when he succeeds Lars Tobisson as party secretary in the Moderate Coalition Party, the youngest in that position.

Is it an advantage or disadvantage to be young in politics?

"It is something which at least is always noticed," replies Danell, who recently turned 34. "It is of course not an obstacle, but it is perhaps not as common in politics. However, in business and industry 34 years is not an unusually low age. There may perhaps be advantages in the fact that hopefully one has great physical capacity for working."

What is this capacity now going to be used for?

"For infusing new optimism into the non-socialist bloc, so that we will achieve a non-socialist election victory in 1982. This is the most important task facing the Moderate Coalition Party and that is what I will concentrate most heavily on from my new position."

Then all the bridges have not been burned for non-socialist three-party cooperation?

"I do not believe that for a second, or I would never have agreed to become party secretary. Using the 1979 government declaration as a starting point was excellent politics, which formed a good basis for non-socialist cooperation. That is the direction we must work toward. There we have Moderates with great responsibility; we possess great optimism in Swedish politics and that is what we must spread to the comrades in the Center Party and the Liberal Party."

11949 CSO: 3109/30 POLITICAL

SWISS CHIEF DELEGATE VIEWS CSCE PROCESS

Zurich DIE WELTWOCHE in German 21 Oct 81 p 9

[Interview by Ulrich Kaegi: "Ambassador Brunner on the CSCE Conference: Chances Risen to 50 Percent"]

Prior to resumption of the meeting of 35 states, Edouard Brunner, head of the Swiss CSCE delegation in Madrid, displays intensive negotiation activity.

[Text] WELTWOCHE: By request of the Soviet government, you were in Moscow last week, and immediately upon your return to Bern you met with the head of the American CSCE delegation. You are also keeping in close contact with the other neutral and nonaligned nations. Did Switzerland want this mediator role?

Brunner: I do not think that, at least at this time, one can talk about a mediator role. It is a fact, however, that in the last 2 weeks I received in Bern the representatives of Great Britain and the United States to the Madrid CSCE conference, I went to Paris on the invitation of my French colleagues, and I was invited to Moscow to discuss bilateral questions as well as problems of the Madrid conference. It is apparent that at the present stage of this conference, the most important participants are seeking a way out of the dead-end street. And as almost always in cases like this, such efforts rely on the good offices of a neutral country. In any case, everyone should know that our country is prepared to propose a compromise formula only if it is convinced of it itself and if this solution reflects its own position. We shall never make our name and our good offices available for an empty compromise. I believe, of course, that we were approached with full awareness of this steadfast fundamental Swiss position.

WELTWOCHE: Does a common interest in continuing the CSCE process prevail, in spite of all the divergent positions?

Brunner: Both sides sincerely desire to continue the CSCE process. One must not forget that this forum is the only place where the 35 European and North American states are meeting to discuss problems of military security, political questions and economic and humanitarian problems. In this sense, this forum is irreplaceable. We must not forget that what is at stake is the security of our continent and the confirmation of and higher regard for the human rights of all citizens. On the other hand, in the present situation this forum is also the only place where an initial understanding between the new U.S. administration and the USSR could be reached very quickly.

WELTWOCHE: The Madrid conference will resume on 27 October. Do you have a compromise formula on hand so as to assist the conference in reaching a mutually acceptable agreement?

Brunner: No. But we have some ideas that could help end the Madrid conference with the adoption of a substantial and balanced document. Hence, much is expected of us as well as of the other neutral nations. This is why we have to be careful and not expend our amunition prematurely. In all West-East conferences, and above all within the CSCE framework, experience teaches us that the powder must be kept dry if we are to assist in framing the final text that all can agree on. The main effort has to be directed toward this goal, especially between 25 November and 15 December. Three months ago, I estimated this conference's chances for success at 25 percent. Now I give it 50 percent.

9011

CSO: 3103/65

MILITARY AUSTRIA

GENERAL BERNADINER ON ARMY EQUIPMENT, BUDGET

Vienna PROFIL in German 5 Oct 81 pp 12-13

[Interview with Gen Ernest Bernadiner, Commander, Austrian Federal Army, by Otmar Lahodynsky, date and place not specified: "Defense After 1986"]

[Text] [Question] General, you became Army Commander Spannocchi's successor on 1 October. What are your plans?

[Answer] I should like to place greater emphasis on waging peace—if for no other reason, because operational plans for the event of a crisis have already been firmed up and merely require a certain amount of adapting.

[Question] Your predecessor was accused of having proposed to the politicians the most expensive defense system, but had been unable to implement it either politically or financially.

[Answer] Neither the shortening of the obligatory military service period nor the transition to the militia system had been the army commander's idea. The fact that a militia system would be more expensive than the previous training army system was well known to begin with; if for no other reason than that a significant expansion of the armed forces is a prerequisite of the militia system. In 1986 we will have a 186,000 man field army.

[Question] What will be the eventual strength?

[Answer] A field army of up to 300,000. In addition, there will be about 100,000 people who will be active in support and auxiliary defense units, with the result that in the final analysis obligatory military service in Austria will be used to a much greater extent than was the case for the standing army in the past. If these people are to engage in continuous field exercises, this will cost money. If you have more battalions, you need more equipment. The cost will be proportionally greater.

[Question] But Spannocchi spoke of a threatened financial crunch. How do you expect to implement an army reform with continuously reduced funds?

[Answer] Our past calculations show that the development a militia army in the format required by defense plans will generate an annual increase requirement of about one-half billion schillings. Until now insufficient attention has been paid to this increase. At present I only know that at least the increased rate for 1982 is assured.

[Question] In other words, you are still counting on units which exist only on paper.

[Answer] If in accordance with the national defense plan a new company is established and this company lacks any type of equipment, from shoes to uniforms to weapons, this would constitute a personnel unit existing only a paper. Despite an existing personnel roster listing everyone from the commander down to the last KP, I would be unable to mobilize the unit in case of war because I could neither clothe nor equip it. This situation does not exist as yet. It would prevail if we were forced to accept 1981-type austerity budgets in future years as well. Then of course the military leadership would have to take necessary action.

[Question] Like what? At worst, you could tell the minister that this budget is insufficient to fulfill the defense mission and that you would have to resign.

[Answer] I could do that, but what good would it do? It would be wrong to simply say that because of necessary budget cuts the federal army is unable to accomplish its tasks. What we say is that area defense can at this time be implemented only to a sketchy degree. In any case, we will not be able to speak of fully effective area defense until after 1986. But if we find serious obstacles on our way to 1986...

[Question] But you have already been stopped on that road. The ready operational force still does not have its required manpower of 15,000. There are neither enough reserve cadres nor money. The reservists complain that their equipment is considerably poorer than that of the regulars. How do you expect to remedy these deficincies if you do not get more money?

[Answer] In my opinion that ready operational force in its present status is fully satisfactory. The investors of the ready operational force have defined its mission in only a loose fashion. It is quite possible that within a short time a few modifications will be made concerning that force. The 15,000 men strength is not based on any operational considerations. For Austrian conditions the ready operational force is optimally equipped and trained. It can be mobilized within a minimum of time. There is absolutely no need for every man, down to the last munitions loader, to be a regular soldier on active duty. You are saying that the militia army is at a disadvantage as to equipment and weapons. That is an unjustified statement. The same equipment, in comparable quantity, the same weapons are prescribed for the militia army as for everyone else. Economy dictates that here and there clothing and equipment of prior years must be used up (e.g., the camouflage suit, commonly called the "patchwork rug", which is still of excellent quality and of which we still have thousands in stock). But in time all reservists will be issued sufficient quantities of the olive green all purpose uniform. It would be an act of irresponsibility to simply discard old uniform stocks which are still in good and usable condition just because a new and improved uniform has been introduced. Resupply requirements are not insignificant, in terms of millions; but even if we had an unlimited budget, resupply could not be accomplished within a single year because of qualitative procurement limitations.

[Question] The procurement of interceptor aircraft is also a function of the budget situation.

[Answer] That can only be dealt with by way of a supplemental budget. The fact that such a supplemental budget item would be tied to so-called compensatory deals, equivalent considerations etc. is beyond the military area of competence. The

Federal government must deal with this question. The experts have determined that arrangements with SAAB could be continued until 1987, at the latest. Thus, if we want to think about timely replacement, the time is approaching for initiating procurement of new equipment. After all, it takes several years for the new materiel to be delivered, assembled and put into operational use.

[Question] But in case of war, even 24 interceptors would not do us much good, true?

[Answer] No; in case of war they would hardly be able to protect Austrian airspace to the extent of preventing or impeding penetration by enemy aircraft. Neither 24, nor 3 times that number, nor 10 times that number could accomplish that. Now we could of course say, well, in that case, 1 year more or less would hardly make any difference. Well, that is true. But let me state also that the establishment of the militia army will not be influenced by the procurement of the interceptor aircraft—but the credibility of Austrian national defense would ineed be so influenced. Personally, I am convinced that we will get our interceptors. It is of course obvious that this must be carefully considered at this particular time, when the finance minister is trying to make some improvements in the budget situation.

[Question] Western and Eastern military experts are lately increasingly counting on the possibility of conventional warfare in the Central European area. To what extent has the neutron bomb influenced the Austrian area defense system? Is it not true that our best fortifications and the key zones which we are committeed to defend would in effect be indefensible as a result of the development and the possible use of the neutron bomb?

[Answer] The neutron bomb belongs to the category of nuclear weapons. I am partial to the theory that there will be no nuclear war. Should it take place anyway, one must assume that Central Europe and many other parts of Europe will be affected to such an extent that Austria is likely to suffer its part of the damage. If it should come to that, it will hardly be relevant whether or not the fortifications on the Erlauf River are atom bomb proof. If nuclear war should break out the destruction would be so vast that individual military or civilian entities which survive in shelters would make no difference one way or the other. In a nuclear war the Austrian Federal army would hardly have any opportunity of continuing the battle.

[Question] There are even problems in case of conventional warfare. The antitank cannons which we have installed in the fortifications are, for practical purposes, ineffective against the new generation of tanks.

[Answer] That is a question of ammunition. Ammunition which can penetrate the new type of armor has already been developed. We just do not have it as yet. Ammunition procurement is a financial matter too, in the long run.

[Question] This ammunition is supposed to be manufactured in Austria also.

[Answer] It was developed in France. It constitutes a portion of Austrian-French cooperation in the Kuerassier and ammunition area, but in the course of compensatory arrangements production is scheduled to take place in Austria as well.

9273

CSO: 3103/68

MILITARY

BUNDESWEHR ARMS PURCHASES CRITICIZED

Hamburg DIE ZEIT in German 23 Oct 81 p 18

/Report by Wolfgang Hoffmann: "Intelligence Not in Demand - The Bundeswehr Purchases the Wrong Weapons"/

<u>/Text/</u> Billions must be cut off the federal budget. Yet Defense Minister Apel already lacks the money to pay for new weapons. DIE ZEIT investigates why arms cost so much.

Because weapons are purchased at too high a cost, money is lacking for the armed forces to exercise: "Defense or Waste?" (ZEIT No 42)

Due to poor management on the Hardthoehe, arms costs are getting out of hand: "False Economies" (ZEIT No 43)

Instead of purchasing light and modern defensive weapons which are relatively cheap, Bonn puts its faith into obsolete and expensive offensive weapons. Today's concluding report shows that this is wrong from the political as well as the economic aspect.

The political leadership in the defense ministry must rethink its concepts of economic efficiency and meaningful military ideas—however great the united resistance offered by generals and the arms industry.

Defense Minister Hans Apel did not wish to leave a stone unturned in his search for a way out of the pressing financial woes. The minister did not even want to exclude original concepts, superior in intelligence to old ideas, and therefore offered this thought: "The Baltic is an inland sea where every floating target, regardless where it happens to be, may be hit in future from a land base by the appropriate mobile missiles. Everybody can see that such missiles cost a lot less than new warships."

This virtual sacrilege (in the eyes of a German naval officer) seems a perfectly sound alternative as far as the defense minister is concerned. The alternative being a Baltic without German warships. The defense minister is bound to welcome anything which works, especially if it also comes cheap. After all, given that today's weapons are out of range costwise, tomorrow's will be even more so if military men and technicians continue on their merry way.

Not only the nuclear annihilation arsenal grows steadily larger, more complex and consequently more expensive. The conventional weapons which are the backbone of the Bundeswehr are equally affected by the expensive "improvements." Long superseded is the old rule of thumb according to which every generation of weapons costs twice as much as its predecessor. It only persists in German defense white books. American studies, accepted by the Pentagon, ascertained 10 years ago that the price of new weapons systems rises by a factor of 10 in any 20-year period. New computations mention an even higher factor--25.

American weapons expert James Fallows produces the following figures: "In 1944, at the height of war production, the United States turned out 10,000 military aircraft per annum. In the mid-1950's the Pentagon purchased 3,000 aircraft per annum, in the late 1970's only 400. And the 1982 budget allows for less than 230 aircraft.

At the same time it is not even sure that the higher costs also signify better quality. Rumor has it that the German antiaircraft tank Gepard, packed with electronic gadgets, breaks down every 20 hours. In his book "National Defense," James Fallows investigated this aspect of technology. He proved that the combat readiness of an aircraft declines alongside rising complexity. Some 2,500 of the relatively primitive F-5 aircraft were in the air every day; only 250 of the far more complex F-15 manage that feat.

The main reason for the rise in costs is the fact that military men and technicians seem to approach an ideal only dreamed of by perfectionists: 100 percent accuracy. Seep Hort, defense technology manager at Messerschmitt-Boelkow-Blohm, once said that the payment for a 98 percent rate of accuracy was 6 times greater than for a weapon which achieves only 80 hits out of 100.

If the weapon purchased at a higher price is more effective but the higher price admits of only a smaller volume, the point will at some time be reached when the lack of quantity will cancel out the quality achieved. At that point the cost explosion becomes a security risk.

In fact more and more military men fear that quality may turn into a security risk. German NATO General Franz Uhle-Wettler, for one, arrived at the conclusion that the investments required for the German tank force (currently the best equipped tank army in NATO) bear no relation whatever to their potential efficacy. The dangers scented by Uhle-Wettler lie in the overspecialization of the armed forces. In the judgment of that officer who used to lead a tank brigade, "the current approach has guided our army into a blind alley." The reasons, in addition to logistics and strategic considerations, are financial also "because combat forces are so expensive that we can establish only some of the divisions required and are unable adequately to supply war materiel to even these divisions."

In his study "Gefechtsfeld Mitteleuropa" /Battleground Central Europe/ General Uhle-Wettler does not stop at critique. He proposes a new defense concept which provides for a reduction in the tank force and the reinforcement of antitank capability. Here he follows on deliberations in the 1970's when, for example, French Lt Col Ferdinand Otto Mischke (once on General de Gaulle's personal staff) demonstrated that an "intelligent" antitank concept would not only be better able to resist an offensive by the Warsaw Pact than the so-called forward defense based on the heavy assault tank but would also be cheaper by far.

Strengthening defenses at the expense of assault tanks is also envisaged in a concept developed for the heavy assault tank Leopard 2 by Paul-Werner Krapke, former project manager at the Federal Office for Defense Technology and Procurement. He intends to replace this battle tank of the 1990's by a tank destroyer equipped with guns, and that in a ratio of two thirds tank destroyers to one third assault tanks. For defensive purposes this concept is claimed to be not only perfectly adequate but also cheap. The tank destroyer is at least one third cheaper than the assault tank.

Brigadier Enno Walter, head of the planning staff department at the army command staff, scrutinized Krapke's proposal under a magnifying glass. Although he approved of the tank destroyer, he did not recommend it as a replacement but as a complement to the assault tank. Instead of lowering costs, staff planner Walter wants another cost explosion. Krapke's concept thus threatens initially to become another victim of that military cast of mind which is used to calculate strength mainly by the heavy tank park.

That is bad, not only because it costs a lot of money but also because it makes very little sense from the aspect of defense. Soon heavy traditional weapons will interest nobody except museums. The military future is with "intelligent" missiles --on land, on water and in the air.

The objects of discussion here are not the old-established medium or long range missiles with nuclear warheads, they are field weapons with rocket munition, including small calibers "able to puncture tanks as if they were sardine cans," to cite French Colonel Miksche's pronouncement of many years ago. Paul F. Walker, U.S.adviser on issues involving national security, arms control and Russo-American relations, compares these new precision-guided weapons with David's superiority over the mighty Goliath.

The development of "precision-guided ammunition" began as far back as the 1920's, but it took the technical advances in electronics to achieve that level of precision and automation which will make large conventional weapons obsolete. As to the effect of these systems as antitank rockets, Walker reports from the 1973 Arab-Israeli war: "More than 1,500 Syrian, Israeli, Jordanian and Iraqi tanks were destroyed on the Golan Heights, many by antitank rockets. In 16 hours at the Egyptian front the Israeli tank brigade lost 77 tanks, three quarters of its total stock, in antitank ambushes." And in the course of "a 1972 maneuver in the Federal Republic, American Cobra helicopter gunships, equipped with TOW rockets, 'demolished' an average of 18 Leopard tanks before being hit themselves."

Already antitank rockets can disable most tanks. New advances come so fast and furious that the already favorable cost-profit ratio between antitank rockets and tanks is steadily improving in favor of the rockets. The "single antitank round is getting cheaper because the rockets break up into dozens of small rockets, each of which has its own search-and-destroy system."

Paul F. Walker actually quotes examples: The TOW antitank rocket costs DM15,000, the Stinger antiaircraft missile about DM100,000, and the Harpoon ship-to-ship missile roughly DM1.5 million. An assault tank, on the other hand, now costs DM4 million, a combat aircraft almost DM100 million, a frigate around DM400 million.

Walker speaks of a cost-profit ratio which is striking, even if we include the cost of the mobile launching pad, whether it be a speedboat or jeep, and if we consider that a tank is able to fire 50 or more rounds.

Worldwide Spending on Arms (billion U.S.dollars)

Countries	1975	1979	
World total	419	446	
NATO	185	192	
Warsaw Pact	110	118	
OPEC countries	30	34	
Third World	71	74	
Others	24	26	

Source: International Institute for Peace Research. Stockholm (SIPRI) at 1978 prices and exchange rates

Given the enormity of current defense expenditures (bound to rise even further if military men and technicians persist in improving the traditional large weaponry), a change in procurement programs could result in tremendous savings, Walker thinks. And he continues: "Relatively cheap and reliable devices produced in large quantities and easily replaceable will, compared with their combat strength, get cheaper and cheaper; large new carriers of high-quality weapons systems such as tanks, aircraft and ships which require specially trained personnel more and more uneconomic."

Concentration on cheap defense weapons may have political as well as economic repercussions. The military success of a potential attack with conventional weapons such as assault tanks will be increasingly incalculable, even—as Walker shows—unlikely. The danger of a conventional aggressive war will decline, thereby improving the chances of economic resources hitherto used for expensive major weapons complete with inordinate amounts of technology being applied to reduce politico—social tinder.

Former weapons procurer Krapke also cited political benefits for his proposal to use light tank destroyers instead of heavy assault tanks. The tank destroyer is a defensive weapon exclusively and, other than the heavy assault tank, unsuitable for offensive operations. Without losing any credibility as to military presence or strength, the proclaimed political intention that the Bundeswehr is a defensive army would be strengthened both externally and internally. Krapke comments: "That will help to calm down tempers at home and demonstrate to our critical young people that our arms in fact serve a defensive purpose only."

Un fortunately nothing indicates that the generals in Bonn are likely to make friends with the concept of intelligent defense. Certainly Defense Minister Apel has sounded the retreat.

When CDU deputy Manfred Woerner asked whether Apel's remarks on the advantages of missiles by comparison with ships in the Baltic amounted to a new conception for the defense of that sea, the answer was a decided negative. Parliamentary state secretary Wilfried Penner, obviously well briefed by the Navy, said that missiles were being considered supplementary equipment at best. Better suggestions are not in demand, cheap ones least of all.

11698

CSO: 3103/90

END

END OF FICHE DATE FILMED

Jan. 8, 1982

